### IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

ADVANCED MICRO DEVICES, INC., a Delaware corporation, and AMD INTERNATIONAL SALES & SERVICES, LTD., a Delaware corporation,	) ) )
Plaintiffs, v.	) ) C.A. No. 05-441-JJF )
INTEL CORPORATION, a Delaware corporation, and INTEL KABUSHIKI KAISHA, a Japanese corporation,	) ) )
Defendants.	)
IN RE INTEL CORPORATION MICROPROCESSOR ANTITRUST LITIGATION	) ) ) MDL No. 1717-JJF ) )
PHIL PAUL, on behalf of himself And all others similarly situated,	) ) ) C.A. No. 05-485-JJF
Plaintiffs	) CONSOLIDATED ACTION
v. INTEL CORPORATION,	) ) CONFIDENTIAL ) FILED UNDER SEAL
Defendants.	) Public Version ) September 24, 2009 )

#### DECLARATION OF JAY SRINIVASAN IN SUPPORT OF DEFENDANTS' MOTION TO COMPEL PRODUCTION OF AMD'S BACK-END MANUFACTURING DATA

#### Of Counsel:

Robert E. Cooper, Esq. Daniel S. Floyd, Esq. Gibson, Dunn & Crutcher LLP 333 South Grand Avenue Los Angeles, CA 90071 (213) 229-7000

Joseph Kattan, PC Gibson, Dunn & Crutcher LLP 1050 Connecticut Avenue, N.W. Washington, DC 20036 (202) 955-8500 Richard L. Horwitz, Esq. (#2246) W. Harding Drane, Jr., Esq. (#1023) Potter Anderson & Corroon, LLP Hercules Plaza 6<sup>th</sup> Floor 1313 N. Market Street P.O. Box 951 Wilmington, DE 19899-0951 (302) 984-6000 thorwitz@potteranderson.com wdrane@potteranderson.com

Attorneys for Defendants Intel Corporation and Intel Kabushiki Kaisha

Darren B. Bernhard, Esq. Howrey LLP 1299 Pennsylvania Avenue, N.W. Washington, DC 20004 (202) 783-0800

Dated: September 2, 2009

Public Version:

September 24, 2009

I, Jay Srinivasan, declare as follows:

1. I am an attorney admitted to practice law in the State of California and before this Court *pro hac vice*. I am counsel at Gibson, Dunn & Crutcher LLP, counsel of record for Intel Corporation ("Intel") in the above actions. The matters contained in this Declaration are based on personal knowledge, except those matters stated on information and belief, and if called as a witness, I would competently testify under oath as to them.

2. I have met and conferred with Michael M. Maddigan, counsel for AMD, over the course of months regarding AMD's production of its back-end manufacturing data. Though AMD made a few, partial productions, the parties could not reach an agreement that AMD would make a complete production of the data regarding its back-end manufacturing processes. On September 2, 2009, I informed Mr. Maddigan that, in light of our ongoing disagreement, Intel would file the instant motion with the Court.

Attached as Exhibit 1 is a true and correct copy of an email from Samuel G.
 Liversidge, counsel for Intel, dated February 1, 2008.

4. Attached as Exhibit 2 is a true and correct copy of an email from Jennifer Laser, counsel for AMD, dated April 2, 2009.

5. Attached as **Exhibit 3** is a true and correct copy of an email from Jennifer Laser, counsel for AMD, dated May 5, 2009.

6. Attached as Exhibit 4 is a true and correct copy of a letter from Steven E. Sletten, counsel for Intel, dated June 4, 2009.

7. Attached as **Exhibit 5** is a true and correct copy of a letter from Jennifer Laser, counsel for AMD, dated June 16, 2009.

8. Attached as Exhibit 6 is a true and correct copy of letter from Sogol K. Pirnazar, counsel for Intel, dated July 7, 2009.

Attached as Exhibit 7 is a true and correct copy of an email from Michael M.
 Maddigan, counsel for AMD, dated July 14, 2009.

10. Attached as Exhibit 8 is a true and correct copy of a letter from Jay P. Srinivasan, counsel for Intel, dated July 31, 2009.

Attached as Exhibit 9 is a true and correct copy of an email from Michael M.
 Maddigan, counsel for AMD, dated August 6, 2009.

Attached as Exhibit 10 is a true and correct copy of a letter from Jay P.
 Srinivasan, counsel for Intel, dated August 20, 2009.

Attached as Exhibit 11 is a true and correct copy of an email from Michael M.
 Maddigan, counsel for AMD, dated August 21, 2009.

Attached as Exhibit 12 is a true and correct copy of a letter from Michael M.
 Maddigan, counsel for AMD, dated August 25, 2009.

Attached as Exhibit 13 is a true and correct copy of an email from Michael M.
 Maddigan, counsel for AMD, dated August 25, 2009.

16. Attached as Exhibit 14 is a true and correct copy of the expert report of AMD's expert, Daryl Ostrander.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that this Declaration was executed on September 2, 2009, in Los Angeles, California.

2

From:	Liversidge, Samuel G.
Sent:	Friday, February 01, 2008 2:24 PM
To:	Maddigan, Michael; Laser, Jennifer; Fowler, Jeffrey; Small, Daniel
Cc:	Ripley, Richard A.; Han, David S.
Subject:	AMD Cost Data

Attachments:

Scanned File.PDF

Good afternoon. As we discussed, here is a list of the categories of cost data sought by Intel in discovery. We did not include on this list transactional level expense items (such as marketing payments), as I believe the plan is to address those items separately through our discussion of the corporate requests.

Also, we would be happy to host our meeting on Monday afternoon. If that works, please let me know who will attend, so I can give the names to security. Thanks.

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Sam

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#### Categories Of Cost Data Sought By Intel

#### A. MANUFACTURING COSTS//COGS

- 1. Data sufficient to show and/or permit computation of AMD's microprocessor and chipset manufacturing costs, manufacturing margins, COGS, and gross margins by quarter.
  - a. Internal financial statements that report such costs and margins in aggregate by line of business, e.g., CPU/Microprocessor P&L statements, Chipset P&L statements, including any and all sub-categories of COGS that are tracked by management, whether reported in the audited financial statements or not, such as:
    - i. Product COGS
    - ii. Other COGS (related to start-up costs, excess costs, write-offs, and other non-inventoriable costs).

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iii. Gross margins

b. Unit costs (calculated or derived for purposes of reporting Inventory/COGS) by CPU or Chipset model/name/number, as well as any/all sub-categories of such unit costs calculated by AMD's product costing systems, such as:

- i. Cost by resource used in manufacturing, e.g., direct materials, indirect materials, purchased piece parts, labor, manufacturing depreciation, other overhead, corporate allocations, etc.
- ii. Cost by manufacturing step, e.g., cost of fabrication, cost of assembly, cost of testing, etc.
- c. For each manufacturing facility, by month or quarter:
  - i. Aggregate spending by cost category (e.g., direct materials, indirect materials, purchased piece parts, labor, manufacturing depreciation, other overhead, corporate allocations, etc.).
  - ii. Aggregate actual production volume (e.g., wafers processed per fabrication facility, die or CPUs/Chipsets processed per assembly facility, etc.).
  - iii. Aggregate capacity, in the same units of measure as noted in 1.c.ii above, and any measures of capacity utilization.
  - iv. Headcounts (i.e., number of employees in service).
  - v. Identification of the wafer size, process technology, and product names/numbers/descriptions produced by each facility in each period for which aggregate costs are provided.

#### **B. OTHER COSTS/OVERHEAD**

- 1. Data sufficient to show and/or replicate AMD's firm-wide cost accounting.
  - a. Internal financial statements that report costs and margins company-wide.

		gate spending by cost categori pment, marketing, capital exp	es (including, overhead, researc enditure).	h and	
	2. Data sufficien Chipset) and p	t to show and/or replicate AM roduct family/type (e.g., CPU	D's cost accounting by product family).	line (e.g., CPU,	· ·
·	a. Interna family		ort costs and margins by produc	et line and product	•
			es by product line and product 1 , marketing, capital expenditure		
	C. CAPITAL EX	<b>KPENDITURES</b>			
		r sale of microprocessors and	er capital expenditures relating chipsets, together with related o		·
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Laser, Jennifer [JLaser@OMM.com] From:

Thursday, April 02, 2009 11:17 AM Sent:

Han, David S. To:

Maddigan, Michael; Sletten, Steven E. Cc:

Subject: RE: AMD Data

Dave -- We'll investigate these issues and get back to you with our response. We'll also check on the status of the production issues.

Regards,

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Jennifer Laser O'Melveny & Myers LLP 1999 Avenue of the Stars #700 Los Angeles, California 90067 (310) 246-8445 direct line (310) 246-6779 fax jlaser@omm.com

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From: Han, David S. [mailto:DHan@gibsondunn.com] Sent: Thursday, April 02, 2009 10:56 AM To: Laser, Jennifér, -Cc: Maddigan, Michael; Sletten, Steven E. Subject: AMD Data

Jennifer,

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I would also like to follow-up on some outstanding items that we have not yet received from AMD. As discussed on our last call:

1. We still need headcount information.

2. We also need pre-2002 data for R&D, G&A, and S&M expenses.

The following items were not discussed during our last call, but I would like to bring them to your attention: We have not received Cost Accounting Packages for Q1 and Q2 2008. Please produce these documents.

Manufacturing Data

4. We would like, if available, data on AMD's back-end manufacturing, including but not limited to the ATMP processes. We would like information, similar to what was provided for the front-end, that details the various back-end processes until a product ships to a customer (including inventory-related data).

The data provided on the front-end processes is too highly aggregated.

o For example, there are references to "Sledgehammer" generally without any granular information with respect to the various flavors of this processor family. Not only do we not have the information necessary to correspond manufacturing names with OPN IDs or brands, the data provided does not give us sufficient information regarding binning or speed yield.

#### REDACTED

This information is available in the file 2005 only actuals FAB30.xls, which was part of the AMD fab actuals data package we received.

- o But this information does not tell us which OPN IDs, and which sales, these fabrication outputs correspond to. Nor can we determine when they were sold, what their clock rate distribution was, what packages they were installed in, and what brands they were assigned to. Also, we cannot determine whether and for how long they sat in a die bank; or how long they sat as finished goods inventory before they were sold or whether they were sold at all.
- o Please provide disaggregated data.

Regards, Dave

#### David S. Han

Gibson, Dunn & Crutcher LLP 333 South Grand Avenue Los Angeles, CA 90071 (213) 229-7886, Direct (213) 229-6886, Fax dhan@gibsondunn.com, E-mail

This message may contain confidential and privileged information. If it has been sent to you in error, please reply to advise the sender of the error and then immediately delete this message.

From: Laser, Jennifer [JLaser@OMM.com]

Sent: Tuesday, May 05, 2009 5:29 PM

To: Sletten, Steven E.; Han, David S.

Cc: Maddigan, Michael

Subject: AMD data production

Steve and Dave --

I would like to update you on several AMD data items that we've been gathering for production to Intel. In the next two days, you will receive AMD's Cost Accounting Packages for 2008 Q1-Q2. You will also receive quarterly manufacturing reports for 2008 Q1-Q2.

You have inquired about the pre-2002 data for R&D, G&A, and S&M expenses. That information was produced to Intel as part of AMD's financial reporting and cost accounting packages covering that period. We have made further inquiries and confirmed that no additional responsive data is available for that time period.

We are also gathering the headcount data and the additional manufacturing data that you requested, and will produce it as soon as its collection is complete.

Regards,

Jennifer Laser O'Melveny & Myers LLP 1999 Avenue of the Stars #700 Los Angeles, California 90067 (310) 246-8445 direct line (310) 246-6779 fax ilaser@omm.com

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June 4, 2009

Direct Dial (213) 229-7505 Fax No. (213) 229-6505

VIA E-MAIL

Jennifer Laser, Esq. O'Melveny & Myers LLP 1999 Avenue of the Stars, 7th Floor Los Angeles, CA 90067-6035

Re: AMD v. Intel

Dear Jennifer:

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We received AMD's recent production of AMD's worksheets for financial adjustments during the Baan system period and the sample MP Tool Agreement sheets. I write to follow up on that production and our other outstanding data requests to AMD.

While the most recent data production appears to partially respond to my March 30, 2009 letter to Michael Maddigan, we note several additional sales and transactional data items still outstanding.

1. We still have not received pre-MP Tool Excel spreadsheets that contain deal analyses and proposals that AMD presented to customers from 2000 to approximately mid-2004 (before the implementation of the MP Tool). The recently produced worksheets related to financial adjustments from the Baan system period do not appear to address this request.

2. It is unclear whether AMD's production of six sample MP Tool Agreement sheets is truly representative of all the MP Tool Agreement sheets. Please explain the criteria for selecting these six samples, from where these sheets were collected, and from how many agreement sheets these were chosen, so we can determine whether these six agreement sheets are a true representative "sample." We have also not received a response to our inquiry regarding the location of these agreement sheets within the production. In fact, it is unclear whether these

LOS ANGELES NEW YORK WASHINGTON, D.C. SAN FRANCISCO PALO ALTO LONDON . PARIS MUNICH BRUSSELS DUBAL SINGAPORE ORANGE COUNTY CENTURY CITY DALLAS DENVER

Jennifer Laser, Esq. June 4, 2009 Page 2

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six samples are already part of the AMD production. Please confirm there is no central repository or location to collect these MP Tool Agreement sheets either within the production or within AMD's files.

3. We still have not received a response regarding our request for additional fields in the MP Tool (Target Price and Reason for Denial/Reason for Lost).

In addition, we have now been waiting for many months for relevant AMD manufacturing data.

4. We do not have any manufacturing data for 2008. Nor do we have the promised headcount data for all of AMD's manufacturing facilities (including FSM and AT)---the headcount data has been outstanding since November 20, 2008, when David Han sent you a list containing our data requests. Mr. Han sent you a follow-up email on April 2, 2009, after a call during which the headcount information was also requested. 14.45

5. Mr. Han's email also requested manufacturing data on AMD's back-end **.**..... manufacturing, including but not limited to the ATMP processes. This should include, without limitation, information that details the various back-end processes until a product ships to a customer or is otherwise dispositioned (including inventory-related data). We would expect to receive, among other information, (1) whatever DTS yield calculations AMD maintains; (2) any other yield metrics associated with particular back-end functions (e.g., assembly yield, test, .... yield); (3) any speed binning, down-coring, or down-caching data; and (4) data regarding where and for how long units have been stored during various points in the process before being sent to a customer or otherwise dispositioned (e.g., assembly-outs, FUM, finished goods inventory, hub inventory, etc.). No such back-end manufacturing data has been produced.

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6. As for the front-end data, AMD has produced sort-yield data for Fab 25 but we have received no such data for Fabs 30 and 36, nor for AMD's foundries. We are expecting to receive all the missing sort-yield data as well as any other relevant data related to the fab-sort process. In addition, Mr. Han's April 2, 2009 email requested disaggregated data on AMD's front-end processes. This should include (a) data on which OPN IDs, and which sales, fabrication outs correspond to; (b) when die were sold, what their clock-rate distribution was, what packages they were installed in, and what brands they were assigned to; (c) and whether and for how long the die sat in a die bank, how long they sat as finished-goods inventory before they were sold, or whether they were sold at all.

You responded on April 2 that you would "check on the status of the production issues." Then, on May 5, 2009, over a month later, you stated that "[w]e are ... gathering the headcount data and the additional manufacturing data" that was requested in Mr. Han's April 2, 2009

Jennifer Laser, Esq. June 4, 2009 Page 3

email. Given the upcoming discovery cut-off date of June 12, 2009, it is imperative that AMD address these discovery deficiencies now.



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cc:	Michael Maddigan, Esq.

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David Han, Esq. Michael Lee, Esq. to concept your of . . 1 · · · · • ; . ;, . . . . . . . . . . . . . . . . . .. · . 1. . . . . . AND THE PARTY Ξ. 10.51 . . . .:

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#### O'MELVENY & MYERS LLP

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SAN FRANCISCO SHANGHAI SILICON VALLEY SINGAPORE TOKYO WASHINGTON, D.C.

June 16, 2009

#### VIA E-MAIL AND U.S. MAIL

Steve Sletten, Esq. Gibson Dunn & Crutcher LLP 333 South Grand Avenue Los Angeles, California 90071

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## Re: <u>AMD v. Intel</u>

Dear Steve:

I am writing in response to your letter of June 4, 2009 regarding several outstanding data items.

1. Pre-MP Tool Excel spreadsheets. We were able to locate an example of such a pre-MP Tool deal report and produced it to Intel at the end of last week. You should have it by now. It is our understanding that these reports were utilized only during a few quarters in 2003 and were not maintained in any centralized location.

2. MP Tool Agreement sheets. We do not know how the six sample Agreement sheets were selected for production, but we will investigate. These sheets were not previously produced as part of the AMD production. And there is no central repository or location to collect these MP tool Agreement sheets within AMD files. They are only available through the MP Tool by printing them out one by one.

3. Additional fields in the MP Tool. We are investigating the availability of the additional fields you requested and will get back to you on this issue within a week.

4. Manufacturing data for 2008 and headcount data. We produced manufacturing reports for Q1 and Q2 2008 about a month ago. Please let us know if you are still unable to locate them in AMD's data production. As to the headcount data, we produced it to Intel at the end of last week. You should have it by now.

5. Back-end manufacturing data. We are investigating the availability of the data you have requested and hope to get back to you on this issue by the end of next week.

#### 008 FILE NUMBER 008,346-008

WRITER'S DIRECT DIAL (330) 246-8445

WRETER'S E-MAIL ADDRESS

CC1:808650.1

O'MELVENY & MYERS LLF Steve Sletten, Esq. June 16, 2009 - Page 2

6. Front-end manufacturing data. We do not believe that we will be able to produce the additional details that you have requested. However, we are still investigating some of these issues and will get back to you on them by the end of next week.

Very truly yours,

Tennifer Leser

Jennifer E. Laser for O'MELVENY & MYERS LLP

cc: Michael Maddigan

#### CC1:808650.1

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SPinazar@gibsondunn.com

July 7, 2009

Direct Dial (213) 229-7444 Fax No. (213) 229-6444 Client No. T 42376-00764

VIA E-Mail and U.S. Mail

Michael M. Maddigan, Esq. O'Melveny & Myers 400 S. Hope Street Suite 1500 Los Angeles, CA 90071

Re: AMD v. Intel

Dear Mike:

I write this letter to memorialize our conversation of July 3, 2009 regarding the requested Rule 30(b)(6) depositions of AMD and the verified written responses that AMD is offering to provide (in most cases in lieu of live testimony). This letter follows up on our numerous written communications, and together with my letter of June 26, 2009, reflects our understanding of the status as to AMD's proposed response to each of the 6 requested Rule 30(b)(6) depositions.

#### 1. <u>30(b)(6) Deposition Notice Regarding AMD Microprocessors from</u> <u>K5 to Barcelona.</u>

Per your statement on July 3, 2009, it is our understanding that sometime this week, AMD will provide the requested information (as previously described and as summarized in my letter of June 26, 2009) in verified written responses.

#### 2. <u>30(b)(6) Deposition Notice Regarding Manufacturing Related Data.</u>

Per our telephonic conversation today with Jay Srinivasan, with respect to the manufacturing related data, it is our understanding that AMD expects to have the back-end manufacturing related data available for it to review tomorrow with production to Intel shortly thereafter. As we discussed, AMD will proceed with producing the back-end data and preparing

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Michael M. Maddigan, Esq. July 7, 2009 Page 2

a witness or witnesses on all of the topics of examination, and within the next week or so, Intel will clarify in writing the type of information that it is seeking with respect to topics 17 and 18, and provide examples of documents with respect to which it needs further information, including those related to topics 9 and 10. With that, per our discussion today we believe we have discussed and reached agreement on all the topics of examination and the information that Intel is seeking and on which AMD will produce a qualified witness or witnesses.

#### 3. <u>30(b)(6) Deposition Notice and Interrogatories Regarding Intel's Alleged</u> Anticompetitive and Tortions Conduct

During our conversation on July 3, 2009, you acknowledged that we never discussed and Intel never agreed that AMD can respond to Intel's interrogatories Nos. 1-7 after AMD completed its expert reports. You indicated that your statement about the timing of AMD's responses was a reference to negotiations that you believe took place a long while ago between attorneys representing AMD and Intel in the context of the initial interrogatories that were served at the outset of discovery. We noted that we are not aware of any such agreement relating to these interrogatories, other than that AMD was given leave to wait to respond until near the close of discovery in order to have a full record from which to draw in providing its responses. Given the delays that have now plagued these discussions, unfortunately, we feel that Intel has been put in a position that affords it no options but to accept AMD's offer to provide full and complete responses to the interrogatories when AMD's expert reports are submitted on July 20, 2009.

I note that AMD offered to respond fully to these interrogatories in the context of resolving a dispute about the scope of Intel's Rule 30(b)(6) deposition notice, and Intel has been very patient in working with AMD to reach agreement on the scope of this discovery. To avoid further disputes, please note that as Steve Sletten explained during our July  $3^{nd}$  call, Intel will not accept broad responses from AMD that simply refer to or incorporate by reference portions of AMD's expert report for factual information that is responsive to Intel's interrogatories. Intel requires, and is entitled to, specific verified responses from AMD that provide the detailed information requested by the interrogatories. And, as further discussed and agreed, Intel reserves the right to follow up on the responses to seek additional or supplemental information (whether in writing or in the form of live testimony) without AMD objecting that the discovery period has ended.

#### 4. <u>30(b)(6) Regarding Non-Commercial Airplane or Jet Aircraft Use.</u>

Per your statement on July 3, 2009, it is our understanding that sometime this week, AMD will provide the requested information (as previously described in my letter of June 26, 2009) in verified written responses.

Michael M. Maddigan, Esq. July 7, 2009 Page 3

#### 5. <u>30(b)(6) Deposition Notice Regarding Identification of CPUs included in</u> All Computers Used by AMD.

Per your statement on July 3, 2009, it is our understanding that AMD will provide the requested information (as previously described in my letter of June 26, 2009) in verified written responses. You indicated you will let us know when we should expect this information.

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Best regards,

Sogel Pinnagar/jom Sogol K. Pirnazar

SKP/skp cc: Steve B. Sletten, Esq. 100683057\_1.DOC

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From: Maddigan, Michael [MMaddigan@OMM.com]

Sent: Tuesday, July 14, 2009 4:14 PM

To: Srinivasan, Jay P.; Pirnazar, Sogol K.

Cc: Sletten, Steven E.

Subject: RE: AMD v. Intel - letter to M. Maddigan re depositions and rogs

Jay,

Hope all is well. To be clear, what I said was that we were receiving material and information last Wednesday and would review it and that if, as I hoped, it turned out to be what intel needed, we should be able to produce it quickly. That said, I want to acknowledge that you have made the urgency of this issue clear several times recently and we are working to get this to you as soon as possible. We did receive the material and are reviewing it. I sent Sogol a letter on this earlier today, but in the letter I said that I'd advise you of the production date by tomorrow. Thanks, Jay.

Mike

From: Srinivasan, Jay P. [mailto:JSrinivasan@gibsondunn.com]
Sent: Tuesday, July 14, 2009 12:32 PM
To: Maddigan, Michael; Pirnazar; Sogoi K.
Cc: Sletten, Steven E.
Subject: Re: AMD v. Intel - letter to M. Maddigan re depositions and rogs

Mike, where do we stand on the production of AMD's back end data? You mentioned that you were receiving it on Wednesday last week and that Intel should receive it by early this week if not sooner? Thanks, Jay.

From: Maddigan, Michael To: Pirnazar, Sogol K. Cc: Sletten, Steven E.; Srinivasan, Jay P. Sent: Mon Jul 13 09:40:39 2009 Subject: FW: AMD v. Intel - letter to M. Maddigan re depositions and rogs

Sogol,

Just as an fyi, I'm going to send a response to this letter tomorrow morning or later today.

Thanks.

Mike

**From:** Pimazar, Sogol K. [mailto:SPImazar@gibsondunn.com] **Sent:** Tuesday, July 07, 2009 6:12 PM **To:** Maddigan, Michael **Cc:** Sletten, Steven E.; Srinivasan, Jay P. **Subject:** AMD v. Intel - letter to M. Maddigan re depositions and rogs

Dear Mike,

Attached please find the following letter.

Thanks, Sogol

<<AMD Ltr to Maddigan.pdf>> Sogol K. Pirnazar, Gibson, Dunn & Crutcher, LLP 333 South Grand Avenue Los Angeles, California 90071 Tel: (213) 229-7444 Fax: (213) 229-6444 spirnazar@gibsondunn.com

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#### July 31, 2009

Client No.

T 42376-00764

Direct Dial (213) 229-7296 Fax No. (213) 229-6296

Michael Maddigan, Esq. O'Melveny & Myers LLP 400 South Hope Street Los Angeles, CA 90071

#### Re: AMD v. Intel - AMD's Back-End Manufacturing Data

Dear Michael

We have had a chance to conduct an initial review of AMD's production of "back-end" manufacturing data, the first part of which Intel received on Saturday July 25, 2009, and the second part of which Intel received just two days ago on Wednesday July 29, 2009. My understanding is that both productions contain the same type of data with the only distinction being the time periods covered by the data.

As you know, Intel has been seeking AMD's back-end data for many months but has deferred to AMD's repeated promises that it has been searching for this material and that a production would follow soon after. Now that Intel has finally received this production, our initial review reveals that AMD's production is remarkably incomplete in significant respects – it does not include a significant amount of information that Intel explicitly sought and that AMD tracked in the regular course of its business.

In Steve Sletten's June 4, 2009 letter to Jennifer Laser, Intel made explicit that it was seeking a comprehensive set of data:

manufacturing data on AMD's back-end manufacturing, including but not limited to the ATMP processes. This should include, without limitation, information that details the various back-end processes until a product ships to a customer or is otherwise dispositioned (including inventory-related data). We would expect to receive, among other information, (1) whatever DTS yield calculations AMD maintains; (2) any other yield metrics associated with particular back-end functions (e.g., assembly yield, test

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Michael Maddigan, Esq. July 31, 2009 Page 2

yield); (3) any speed binning, down-coring, or down-caching data; and (4) data regarding where and for how long units have been stored during various points in the process before being sent to a customer or otherwise dispositioned (e.g., assembly-outs, FUM, finished goods inventory, hub inventory, etc.)."

Our review of what AMD has claimed to be back-end data is limited to just packout and/or assembly out data, at various granularities. In some instances, particularly for recent years, the data contained more detailed information including binning and packaging information. <u>Significantly, however, the production is missing much of the information</u> identified by Intel in its June 4, 2009 letter, including but not limited to inventory information, die bank information. <u>DTS yield information</u>, and most of the binning and packaging information.

Our review of AMD's custodial production indicates that AMD has maintained, at a minimum, weekly reports regarding finished goods inventory, die bank, and binning or speed summaries (examples of such documents may be found at AMD-F118-5115900, AMD-F063-5126522, and AMD-F063-5127287). The reports in the custodial production span the years' 2000 through 2008, indicating AMD has regularly tracked this data for a long time. These reports typically are PowerPoint files containing pictures of underlying Excel spreadsheets. We have also seen documents reporting packaging or DTS yield information such as AMD Product Cost Data (Product cost data.xls, from static code AMDN0104).<sup>1</sup> Because none of these other sources offer a complete set of the back-end manufacturing data, we have sought this information as part of its back-end manufacturing production, we expected to and were entitled to receive this information as part of AMD's back-end manufacturing data production. In fact, as far back as May 5, 2009, Jennifer Laser wrote in an email to Steve Sletten and Dave Han that, "We are also gathering ... the additional manufacturing data you requested [which included all back-end data], and will produce it as soon as its collection is complete."

As I have indicated to you repeatedly, AMD's back-end manufacturing data is vital to Intel's defense of this litigation. As you also know (and as we both agreed), Intel's receipt of this data is a necessary predicate to the as-yet unscheduled 30(b)(6) deposition regarding AMD manufacturing issues. In addition, expert report deadlines are impending and this data is necessary for Intel's efforts in this regard as well. Because time is of the essence, please confirm by no later than this upcoming Wednesday (August 5, 2009) that you will produce the balance of

<sup>&</sup>lt;sup>1</sup> Additionally, inventory data must be tracked for accounting purposes until it is actually sold and can be recognized as revenue. For this reason, we expect that AMD possesses and should be able to produce inventory records even for materials that are physically in the facilities of distributors or other intermediaries, before the materials are actually sold.

Michael Maddigan, Esq. July 31, 2009 Page 3

AMD's back-end manufacturing data by a date certain. Without such an assurance, you leave Intel no choice but to bring this issue to the attention of the Special Master, an outcome that Intel has gone to lengths to avoid.



JPS/trl

100704939\_1.DOC

cc: Steve Sletten Sogol Pimazar

From:Maddigan, Michael [MMaddigan@OMM.com]Sent:Thursday, August 06, 2009 10:32 AM

To: Srinivasan, Jay P.

Cc: Laser, Jennifer; Maddigan, Michael

Subject: Follow-up to our discussion

Attachments: MSD MSS K7/K8 Performance Update for WW34

Jay,

Following up on our meet and confer discussion last night, I've attached a sample of the reports and excel spreadsheets that we discussed. As I noted, we have gathered a complete collection of these back to 2005, and also have identified these reports in the custodian production for much of 2004, about half of 2003, and parts of 2002. Please treat this material as confidential and consistent with the protective order and the parties' agreement. I am forwarding it to you in this way to further our meet and confer discussions and not to formally produce this version in the case.

Sincerely,

Mike

<<MSD MSS K7/K8 Performance Update for WW34>>

#### Michael M. Maddigan O'Melveny & Myers LLP 400 South Hope Street, Los Angeles, CA 90071 (213) 430-6574

mmaddigan@omm.com

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jSriniyasan@gibsondunn.com

August 20, 2009

#### ELECTRONIC MAIL

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Direct Dial (213) 229-7296

Fax No. (213) 229-6296

Michael Maddigan O'Melveny & Myers LLP 400 South Hope Street Los Angeles, CA 90071

Re: AMD v. Intel

Dear Michael:

I am writing to inform you that AMD has left Intel no choice but to pursue with the Special Master the balance of the back-end manufacturing data that AMD has not produced to Intel. As you know, Intel has sought this material for many months and, while I appreciate that AMD has dribbled out a partial production with vague promises of more to come, the history of AMD's non-production suggests that AMD is not operating in good faith in terms of promptly completing this production that already is long overdue.

The relevance of this material has never been in dispute. As I mentioned during our August 5, 2009 phone call, the relevance of AMD's back-end manufacturing data was further illustrated by AMD's filing of Daryl Ostrander's Expert Report, which features a number of conclusions that are dependent on AMD's back-end manufacturing capabilities (see, *e.g.*, p.44). Intel cannot effectively rebut this report or otherwise defend this lawsuit without this data.

In my July 31, 2009 letter to you, I noted that AMD's partial production of back-end manufacturing data was missing much of the material Intel had requested, and, in particular, lacked inventory information, die bank information, DTS yield information, and most of the binning and packaging information. On August 5, we spoke by phone wherein you indicated that AMD would produce a weekly, recurring report that would address Intel's concerns about the incomplete production. You further indicated that Intel would receive a complete set of these reports from 2005 through 2008, but that the reports would be more sporadic for the prior years.

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Michael Maddigan August 20, 2009 Page 2

On August 6, you emailed me a sample of this recurring, weekly report, which consisted of three components, each of which contained substantive information responsive to Intel's backend data requests: (1) a cover email; (2) a PowerPoint attachment; and (3) an Excel attachment. After Intel had a chance to review the sample, I called to inform you that Intel had a few significant concerns. First, I indicated that much of the key information in the PowerPoint attachment is illegible, particularly the slides that include screenshots of Excel files (which are different than the Excel file referenced in Item No. 3 above). I suggested that this problem would be alleviated by AMD's production of the underlying Excel files from which these screenshots were taken. You agreed to investigate but I never heard back from you about the availability of these files. Second, I noted that the information in the cover email was critically responsive and you agreed to investigate whether all of the recurring reports included that information. Third, I informed you that even if the first two issues were resolved, this recurring report did not cover all of the back-end manufacturing data Intel was due from AMD, including information about the nature and volume of AMD's finished goods inventory and the locations

On August 10, Intel received AMD's production of these weekly, recurring reports. Contrary to your claim, this production did not include a complete set of these reports from 2005 through 2008. Far from it, approximately one half of the reports from this date range are missing (there are no reports at all from the year 2008), and, as you indicated, the time period before 2005 is even more spotty. Of the 97 weekly reports that AMD did produce for the years 2005-2007, approximately 30% of them do include the information in the cover email, which I had indicated to you is critically responsive material. Further, there was no production of the Excel files underlying the illegible PowerPoint presentations. Nor did Intel receive the necessary data regarding AMD's finished goods inventory and the subsequent dispositions of products that went into finish goods inventory. In other words, AMD's back-end manufacturing data production remains substantially deficient.

I take no pleasure in noting that you seem to have taken advantage of every professional courtesy I have extended to you. If I do not hear back from you by the end of this week about the balance of AMD's back-end manufacturing data production, Intel will seek the Special Master's intervention in acquiring this material, the relevance of which is beyond reproach.

Very truly yours, rinivasian

JPS/jla cc: Steven E. Sletten Sogol Pirnazar Shaun Simmons Itr matdigan re.DOC

From: Maddigan, Michael [MMaddigan@OMM.com]

Sent: Friday, August 21, 2009 5:53 PM

To: Srinivasan, Jay P.

Cc: Simmons, Shaun M.; Sletten, Steven E.; Pimazar, Sogol K.

Subject: RE: AMD v. Intel

Jay,

I was out on vacation this week, but wanted to acknowledge this e-mail. After reviewing the letter you sent yesterday afternoon, we discovered an inadvertent glitch in our production and, as a result, have posted additional materials to the FTP site today and sent them overnight for delivery tomorrow. I'll send you a letter over the weekend describing this material in more detail, as well as responding to certain other points in your letter.

Mike

From: Arneson, Jodi [mailto:jameson@gibsondunn.com] Sent: Thursday, August 20, 2009 2:09 PM To: Maddigan, Michael Cc: Simmons, Shaun M.; Sletten, Steven E.; Pirnazar, Sogol K. Subject: AMD v. Intel

Mr. Maddigan, attached is correspondence from Jay Srinivasan. Please let me know if you have any trouble accessing the attachment. Thank you.

<<2009.08.20 Letter.pdf>>

Jodi Arneson | Gibson, Dunn & Crutcher LLP jarneson@gibsondunn.com 213-229-7371

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BEIJINC BRUSSELS CENTURY CITY BONC KONG LONDON NEWFORT BEACH NEW YORK

August 25, 2009

#### VIA E-MAIL AND U.S. MAIL

Jay Srinivasan, Esq. Gibson, Dunn & Crutcher 333 South Grand Avenue Los Angeles, CA 90071

#### Re: AMD v. Intel

#### Dear Jay:

This will follow-up on my August 24 letter. In reviewing that letter again today, I noted that I had inadvertently failed to include the attachment in the e-mail version of the letter I sent you. Accordingly, I have attached it to this letter. Please feel free to call if you have any questions.

Sincerely Michael M. Maddigan

of O'MELVENY & MYERS LLP

SAN FRANCISCO Shangkai Silicon Valley Singapore Tokyo Washington, d.C.

(HIR FILF: NUMBER 008,346-163

WRITER'S DIRECT DIAL (213) 430-6574

warfer's f-Mail andress mmaddigan@omm.com



From:

Maddigan, Michael [MMaddigan@OMM.com]

Sent: Tuesday, August 25, 2009 2:40 PM

To: Srinivasan, Jay P.

Cc: Pirnazar, Sogol K.; Sletten, Steven E.; Simmons, Shaun M.; Maddigan, Michael

Subject: Attached Correspondence and additional production

Attachments: 2005-WW49 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp: 2005-WW20 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW23 CONFIDENTIAL -SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW24 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW25 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW27 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW28 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW29 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW31 CONFIDENTIAL -SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW32 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW33 CONFIDENTIAL SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW35 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW36 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW37 CONFIDENTIAL- SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW38 CONFIDENTIAL -SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW39 CONFIDENTIAL - SUBJECT TO : PROTECTIVE ORDER.bmp; 2005-WW40 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW41 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW42 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW43 • CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW44 CONFIDENTIAL -SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW45 CONFIDENTIAL - SUBJECT TO 3 PROTECTIVE ORDER.bmp; 2005-WW46 CONFIDENTIAL - SUBJECT TO PROTECTIVE MC (); ORDER.bmp; 2005-WW47 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; 2005-WW48 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp; Srinivasan Letter 2nd of 8-25-09.PDF; 2005-WW30 CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER.bmp

Dear Jay:

Please see attached letter and attachments.

Regards,

Mike

#### Michael M. Maddigan

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August 25, 2009

#### VIA E-MAIL AND U.S. MAIL

Jay Srinivasan, Esq. Gibson, Dunn & Crutcher 333 South Grand Avenue Los Angeles, CA 90071

#### Re: <u>AMD v. Intel</u>

Dear Jay:

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SAN FRANCISCO SHANGHAI SILICON VALLEY SINGAFORE FOKYO WASHINGTON, D.C.

our fair number od8,346-163

WRITER'S DIRECT DIAL (213) 430-6574

writer's K-MAIL ADDRESS mmaddigan@omm.com

As promised in my letter of yesterday afternoon, we are transmitting to you by e-mail (and also for overnight delivery) the attached copies of the cover or summary e-mails for work weeks 20, 23 to 25, 27 to 33, and 35 to 49 in 2005. (Contrary to my prior understanding, there apparently was no summary for work week 7 in 2008.) With this production, I believe Intel should now have the cover or summary e-mails that your August 20 letter indicated were missing from the AMD production Intel received on August 10. Your letter did not identify the specific weeks that were missing (or, more accurately, did not display), but these are the ones we identified, so please let me know if you think there are others.

Also, after reviewing the information in these cover or summary e-mails, please let me know if there still is additional back-end manufacturing information that you believe Intel has requested but not received. In your August 20 letter, you referred to information about finished goods as an area where you believed AMD's production of back end data was deficient; but I see that these cover or summary e-mails contain information about finished goods. I am not certain whether this information addresses the issue regarding finished goods that you raised in your letter. Jay Srinivasan, Esq., August 25, 2009 - Page 2

If you would like to discuss any of this, please feel free to call. Thank you very much, Jay.

Sincerely,

Michael M. Maddigan of O'MELVENY & MYERS LLP.

## EXHIBIT 14 REDACTED IN ITS ENTIRETY