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Microsoft offers cloud customers AMD alternative to Nvidia AI processors

By **Max A. Cherney**

May 17, 2024 4:34 PM PDT · Updated May 17, 2024

A view shows a Microsoft logo at Microsoft offices in Issy-les-Moulineaux near Paris, France, March 25, 2024. REUTERS/Gonzalo Fuentes/File Photo Purchase Licensing Rights

SAN FRANCISCO, May 16 (Reuters) - Microsoft (MSFT.O) said on Thursday it plans to offer its cloud computing customers a platform of AMD (AMD.O) artificial intelligence chips that will compete with components made by Nvidia (NVDA.O), with details to be given at its Build developer conference next week.

It will also launch a preview of new Cobalt 100 custom processors at the conference.

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Microsoft's clusters of Advanced Micro Devices' flagship MI300X AI chips will be sold through its Azure cloud computing service. They will give its customers an alternative to Nvidia's (NVDA.O) H100 family of powerful graphics processing units (GPUs) which dominate the data center chip market for AI but can be hard to obtain due to high demand.

To build AI models or run applications, companies typically must string together - or cluster - multiple GPUs because the data and computation will not fit on a single processor.

AMD, which expects $4 billion in AI chip revenue this year, has said the chips are powerful enough to train and run large AI models.

As well as Nvidia's top-shelf AI chips, Microsoft's cloud computing unit sells access to its own in-house AI chips called Maia.

Separately, the Cobalt 100 processors Microsoft plans to preview next week offer 40% better performance over other processors based on Arm Holdings' technology, the company said. Snowflake (SNOW.N) and others have begun to use them.

The Cobalt chips, which were announced in November, are being tested to power Teams, Microsoft's messaging tool for businesses, and positioned to compete with the in-house Graviton CPUs made by Amazon.com (AMZN.O) .

Amazon said this week that social network Pinterest (PINS.N) and fintech firm Robinhood Markets (HOOD.O) have started using its Graviton chips.

Reporting by Max A. Cherney and Stephen Nellis in San Francisco; Editing by Edwina Gibbs

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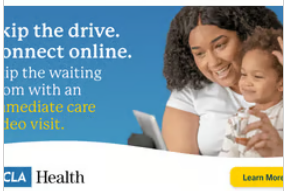

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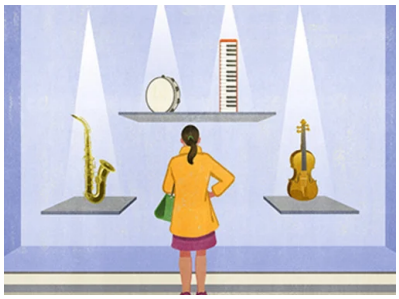

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