



Xilinx Announces Third Quarter Fiscal 2009 Results

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- Operating margin of 26.1% is highest reported in three years - Virtex-5[®] sales post strong growth

SAN JOSE, Calif., Jan 14, 2009 /PRNewswire-FirstCall via COMTEX/ -- Xilinx, Inc. (Nasdaq: XLNX) today announced net revenues of \$458.4 million in the third quarter of fiscal 2009, down 5% sequentially from the prior quarter and down 3% compared to the same quarter a year ago. Third quarter net income was \$139.4 million, or \$0.51 per diluted share, including an \$89.7 million pre-tax gain on the early extinguishment of convertible debentures and a \$19.5 million pre-tax impairment charge on investments. Collectively, these income and expense items represented approximately \$0.19 per diluted share after tax.

The Xilinx Board of Directors declared a quarterly cash dividend of \$0.14 per outstanding share of common stock, payable on February 25, 2009 to all stockholders of record at the close of business on February 4, 2009.



Sales in the month of December were particularly weak as the current economic recessionary environment began impacting customers in most Xilinx end markets. With the exception of sales to Industrial and Other which were flat, sales to other end markets declined sequentially in the December quarter.

Continued cost reduction efforts contributed to improved gross and operating margins during the quarter. Operating margin of 26.1% was up from 24.3% in the same quarter of the prior year and the highest reported in over three years. Gross margin of 63.9% was up from 63.3% in the same quarter of the prior year and the highest reported in over four years.

"Sales from the Company's flagship Virtex-5 family posted exceptionally strong growth in the December quarter increasing 35% sequentially and representing 15% of total sales, up from 10% in the prior quarter," said Moshe Gavrielov, Xilinx President and Chief Executive Officer. "The success of this product family in today's challenging economic environment underscores a growing affinity for programmable solutions versus ASIC alternatives. Programmable solutions provide customers with lower risk, greater flexibility and, in many cases, lower total overall cost."



* Products are classified as follows:

New Products: Virtex-5, Virtex-4, Spartan[®]-3, and CoolRunner[™]-II products

Mainstream Products: Virtex-II, Spartan-II, CoolRunner and Virtex-E products

Base Products: Virtex, Spartan, XC4000 and XC9500 products

Support Products: Configuration solutions, HardWire, Software & Support/Services

Highlights - December Quarter Fiscal 2009

-- For the second consecutive quarter, sales to customers in wireless communications were particularly strong, increasing over 10% sequentially. Most of this growth was attributable to the next generation rollout of wireless technologies in China. Xilinx FPGA solutions, most notably Virtex-5 FPGAs, are key beneficiaries of this next generation wireless technology rollout due to their high performance, functionality and system integration capabilities.

-- Xilinx continues to have one of the most stable and resilient business models in the technology industry in terms of profitability and cash flow generation. In the December quarter, Xilinx generated \$128.5 million in operating cash flow and paid

\$146.3 million in cash to repurchase \$241.1 million (principal amount) of convertible debentures and \$38.4 million in cash dividends. Xilinx currently has among the highest dividend yields in the technology industry.



Conference Call

A conference call will be held today at 2:00 p.m. Pacific Time to discuss the quarter's results and management's outlook for the March quarter. The webcast and subsequent replay will be available in the investor relations section of the company's web site at <http://www.investor.xilinx.com>. A telephonic replay of the call may be accessed later in the day by calling (800) 642-1687 and referencing confirmation code 76849026. The telephonic replay will be available for two weeks following the live call.

Business Update -- March Quarter Fiscal 2009

The Company expects to issue a fourth quarter business update press release before the market opens on Tuesday, March 3, 2009. Financial guidance to the investment community will be limited to the points mentioned in the business update document. Please sign up for a push email alert, which is available from our investor relations web site at <http://www.investor.xilinx.com>.

This release contains forward-looking statements and projections. Forward-looking statements and projections can often be identified by the use of forward-looking words such as "expect," "may," "will," "could," "believe," "anticipate," "estimate," "continue," "plan," "intend," "project" or other similar words. Undue reliance should not be placed on such forward-looking statements and projections, which speak only as of the date they are made. We undertake no obligation to update such forward-looking statements. Actual events and results may differ materially from those in the forward-looking statements and are subject to risks and uncertainties including the general health of global economies as well as of the semiconductor industry, the health of our end markets and our customers' customers, our ability to forecast end customer demand, customer acceptance of our new products, the ability of our customers to manage their inventories, a high dependence on turns business, more customer volume discounts than expected, greater product mix changes than anticipated, fluctuations in manufacturing yields, our ability to deliver product in a timely manner, our ability to successfully manage production at multiple foundries, variability in wafer pricing, and other risk factors listed in our most recent Forms 10-K and 10-Q.

About Xilinx

Xilinx, Inc. (NASDAQ: XLNX) is the worldwide leader of programmable logic solutions. Additional information about Xilinx is available at <http://www.xilinx.com>.

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