Xilinx Announces First Quarter Fiscal 2009 Results; Sales Increase 3% Sequentially

- Record sales of $488.2 million in fiscal Q1
- Gross margin of 63.8%
- Industrial and Other sales reach record level

SAN JOSE, Calif., July 16 /PRNewswire-FirstCall/ -- Xilinx, Inc. (Nasdaq: XLNX) today announced record net revenues of $488.2 million in the first quarter of fiscal 2009, up 3% sequentially from the prior quarter and up 9% compared to the same quarter a year ago. First quarter net income was $83.9 million, or $0.30 per diluted share, including previously announced pre-tax restructuring charges of $19.5 million as well as a pre-tax charge of $4.6 million related to impairment losses on equity investments. Collectively these charges totaled $24.1 million, or approximately $0.07 per diluted share.

The Xilinx Board of Directors declared a quarterly cash dividend of $0.14 per outstanding share of common stock, payable on August 27, 2008 to all stockholders of record at the close of business on August 6, 2008.

Sales from New Products increased 15% sequentially in the June quarter representing 42% of total sales, up from 28% in the same quarter a year ago. Virtex®-4 FPGA sales were particularly strong during the quarter driven by applications in the communications, defense and medical end markets.

Sales from the Asia Pacific region increased 15% sequentially in the June quarter reaching a record 32% of total sales, up from 29% in the same quarter a year ago. Strong sales growth was driven primarily by communications customers within the region as well as US-based communications customers with manufacturing operations in Asia Pacific.

"We reported a solid quarter in spite of macroeconomic headwinds," said Moshe Gavrielov, Xilinx President and Chief Executive Officer. "In addition to achieving record sales in the June quarter, our gross margin continued to improve due to disciplined efforts in the areas of yield improvement and cost reduction. Gross margin in the June quarter was 63.8%, up from 63.4% in the prior quarter and up from 62.2% in the same quarter a year ago."

Highlights -- June Quarter Fiscal 2009

-- Sales from products manufactured using 90nm and 65nm process technologies reached record levels in the June quarter exceeding 40% of total sales, up from 26% in the same quarter a year ago. Xilinx's successful introduction of the Virtex-5 family in May 2006 has enabled the Company to achieve significant 65nm sales leadership over PLD competitors. Xilinx estimates that it currently supplies approximately 90% of the PLD industry's 65nm sales. Virtex-5 devices continue to generate strong design win momentum across a broad range of end markets.

-- Industrial and Other sales reached record levels in the June quarter driven by growth from the defense, industrial, scientific and medical applications. Xilinx FPGAs are ideally suited for many of the applications in this space due to their high DSP performance, embedded processing functionality and integration capabilities. Sales from Industrial and Other applications represented 33% of total sales in the June quarter, up from 22% three years ago.

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 Form 10-K.

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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