Xilinx Announces Second Quarter Fiscal 2007 Results; $0.27 EPS

SAN JOSE, Calif., Oct. 19 /PRNewswire-FirstCall/ -- Xilinx, Inc. (Nasdaq: XLNX) today announced net revenues of $467.2 million in the second quarter of fiscal 2007, down 3% sequentially from the prior quarter and up 17% from the same quarter a year ago. Second quarter net income of $93.0 million, or $0.27 per diluted share, increased 13% from the prior quarter, and included stock-based compensation of $21.9 million.

(Logo: http://www.newscom.com/cgi-bin/prnh/20020822/XLNXLOGO )

Xilinx also announced that its Board of Directors declared a quarterly cash dividend of $0.09 per outstanding share of common stock, payable on December 6, 2006 to all stockholders of record at the close of business on November 15, 2006.

Sales to wireline and wireless communications end markets were particularly weak during the quarter as a result of inventory rebalancing and consolidation activity among several large customers. All other end markets were up sequentially with the Industrial and Other category posting the strongest sales growth due primarily to strength from defense applications.

"In spite of a seasonally weak quarter, I am pleased with the growth of our New Products, which increased 18% sequentially. Sales from 90-nanometer (nm) and 65nm products were particularly strong during the quarter representing over 20% of total sales, up from less than 10% a year ago. Our success on these process nodes is a reflection of our clear technology leadership," said Wim Roelandts, Xilinx chief executive officer. "Additionally, the rollout of our latest Virtex™-5 family, the industry's first field programmable gate array (FPGA) family on 65nm technology, remains on schedule and significantly ahead of competition."

Business Review - September Quarter FY07

- Total inventory days at Xilinx and distribution were 126 days, up from 117 days last quarter.
- Accounts receivable days sales outstanding were 36, up from 29 in the prior quarter.
- Capital expenditures and depreciation were both $13 million.

Net Revenues by Geography:

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*Products are classified as follows:

New products: Virtex-5, Virtex-4, Spartan™-3, Spartan-3E, and CoolRunner™- II products

Mainstream products: Virtex-II Pro, Virtex-II, Spartan-IIE, Spartan-II, CoolRunner, Virtex-E products

Base products: Virtex, XC3000, XC3100, XC4000, XC4000XL, XC4000XLA, XC4000XV, XC4000E, XC4000EX, XC5200, XC9500, XC9500XL, XC9500XV and Spartan products

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

Highlights - September quarter fiscal 2007:

- Xilinx continued to expand its leadership in 65nm technology and began shipments of Virtex-5 LXT FPGAs. The LXT platform is the second of four Virtex-5 platforms that Xilinx has begun shipping and features the industry's lowest power 65nm transceivers. Xilinx's 8.2i Integrated Software Environment (ISE™) offers full support for Virtex-5 devices, including the Virtex-5 LX330 FPGA, the industry's highest density 65nm FPGA. Xilinx remains the only PLD company to ship 65nm products.

- For the third consecutive year Xilinx earned the highest ranking for FPGA-level EDA vendor usage among respondents in the FPGA EDA tool vendor survey conducted by EE Times, part of CMP Technology LLC. In addition, Xilinx ranked...
number one in all the categories covering the "most important attributes in selecting an FPGA EDA tool vendor" and scored higher than any other FPGA vendor in user satisfaction. Xilinx top rating is strong testament to its excellence in design tools technology, support and services and the Company's total solutions approach to handling today's complex system designs.

Business Outlook - December Quarter FY07

- Revenues expected to increase 2% to 5% sequentially.
- Gross margin expected to be 61% to 62%, including approximately $2 million of stock-based compensation charges.
- R&D and SG&A expenses are expected to be approximately flat sequentially, including approximately $20 million of stock-based compensation.
- Other income expected to be approximately $18 million.
- Tax rate is expected to be approximately 23% - 24%.
- Fully diluted share count expected to decrease to approximately 340 million shares.

Business Update - December Quarter FY07

The Company expects to issue a third quarter business update press release after the market closes on Thursday, December 7, 2006. 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. 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, higher-than-anticipated product delinquencies, 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 secure meaningful wafer capacity from our suppliers, our ability to secure adequate test, packaging and assembly capacity from our suppliers, 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. is the worldwide leader of programmable logic solutions. Additional information about Xilinx is available at http://www.xilinx.com.

SOURCE Xilinx, Inc. 10/19/2006

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