XILINX INC
Form 10-K
May 31, 2011

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United States Securities and Exchange Commission
Washington, D.C. 20549
FORM 10-K

(Mark One)

þ **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended April 2, 2011.

o **Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from _____ to _____.

Commission File Number 000-18548

Xilinx, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**77-0188631**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2100 Logic Drive, San Jose, CA	**95124**
(Address of principal executive offices)	(Zip Code)

(Registrant s telephone number, including area code) **(408) 559-7778**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common stock, $0.01 par value	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES þ NO o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES o NO þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES þ NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES þ NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES o NO þ

The aggregate market value of the voting stock held by non-affiliates of the registrant based upon the closing price of the registrant s common stock on October 2, 2010 as reported on the NASDAQ Global Select Market was approximately $4,743,128,000. Shares of common stock held by each executive officer and director and by each person who owns 5% or more of the outstanding common stock have been excluded in that such persons may be deemed affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of May 20, 2011, the registrant had 265,625,429 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Parts of the Proxy Statement for the Registrant s Annual Meeting of Stockholders to be held on August 10, 2011 are incorporated by reference into Part III of this Annual Report on Form 10-K.

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PART I

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be found throughout this Annual Report and particularly in Items 1. Business and 3. Legal Proceedings which contain discussions concerning our development efforts, strategy, new product introductions, backlog and litigation. Forward-looking statements involve numerous known and unknown risks and uncertainties that could cause actual results to differ materially and adversely from those expressed or implied. Such risks include, but are not limited to, those discussed throughout this document as well as in Item 1A. Risk Factors. Often, forward-looking statements can be identified by the use of forward-looking words, such as may, will, could, should, expect, believe, anticipate, estimate, continue, plan, intend, project and other similar terminology, or the negative of such terms. We disclaim any responsibility to update or revise any forward-looking statement provided in this Annual Report or in any of our other communications for any reason.

ITEM 1. BUSINESS

Xilinx, Inc. (Xilinx, the Company or we) designs, develops and markets programmable platforms. These programmable platforms have several components:

- integrated circuits (ICs) in the form of programmable logic devices (PLDs), including Extensible Processing Platforms (EPPs);
- software design tools to program the PLDs;
- targeted reference designs;
- printed circuit boards; and
- intellectual property (IP), which consists of Xilinx and various third-party verification and IP cores.

In addition to its programmable platforms, Xilinx provides design services, customer training, field engineering and technical support.

Our PLDs include field programmable gate arrays (FPGAs), complex programmable logic devices (CPLDs) that our customers program to perform desired logic functions and EPPs, which combine industry standard ARM® processor-based systems with programmable logic in a single device. Our products are designed to provide high integration and quick time-to-market for electronic equipment manufacturers in end markets such as wired and wireless communications, industrial, scientific and medical, aerospace and defense, audio, video and broadcast, consumer, automotive and data processing. We sell our products globally through independent domestic and foreign distributors and through direct sales to original equipment manufacturers (OEMs) by a network of independent sales representative firms and by a direct sales management organization.

Xilinx was founded and incorporated in California in February 1984. In April 1990, the Company reincorporated in Delaware. Our corporate facilities and executive offices are located at 2100 Logic Drive, San Jose, California 95124, and our website address is www.xilinx.com.

Industry Overview

There are three principal types of ICs used in most digital electronic systems: processors, which generally are utilized for control and computing tasks; memory devices, which are used for storing program instructions and data; and logic devices, which generally are used to manage the interchange and manipulation of digital signals within a system. Xilinx designs and develops PLDs, a type of logic device. Alternatives to PLDs include application specific integrated circuits (ASICs) and application specific standard products (ASSPs). PLDs, ASICs and ASSPs compete with each other since they may be utilized in many of the same types of applications within electronic systems. However, variations in unit pricing, development cost, product performance, reliability, power consumption, capacity, functionality, ease of use and time-to-market determine the degree to which the devices compete for specific applications.

PLDs have key competitive advantages over competing ASICs and ASSPs, including:

- Faster time-to-market and increased design flexibility. Both of these advantages are enabled by Xilinx desktop software which allows users to implement and revise their designs quickly. In contrast, ASICs and ASSPs require significant development time and offer limited, if any, flexibility to make design changes.

PLDs are standard components. This means that the same device can be sold to many different users for a myriad of applications. In sharp contrast, ASICs and ASSPs are customized for an individual user or a specific application.

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PLDs are generally disadvantaged in terms of relative device size. ASICs and ASSPs tend to be smaller than PLDs, resulting in a lower unit cost. However, there is a high fixed cost associated with ASIC and ASSP development that is not applicable to PLD customers. This fixed cost of development is expected to significantly increase on next generation technology nodes. From a total cost of development perspective, ASICs and ASSPs have generally been more cost effective when used in high-volume production; and PLDs have generally been more cost effective when used in low- to mid-volume production. However, we expect PLDs to be able to address higher volume applications and gain market share from ASIC and ASSP suppliers as the fixed cost of ASIC and ASSP development increases on next generation technology nodes, eroding their respective cost advantages.
An overview of typical PLD end market applications for our products is shown in the following table:

End Markets	Sub-Segments	Applications
Communications	Wireless	3G/4G Base Stations Wireless Backhaul
	Wireline	Metro Area Networks Optical Networks Enterprise Switches Mid-end and High-end Routers
Industrial and Other	Industrial, Scientific and Medical	Factory Automation Medical Imaging Test and Measurement Equipment
	Aerospace and Defense	Satellite Surveillance Radar and Sonar Systems Secure Communications
Consumer and Automotive	Consumer	Digital Televisions Digital Video Recorders SetTop Boxes
	Automotive	Infotainment Systems Driver Information Systems Vision-Based Driver Assistance Systems
	Audio, Video and Broadcast	Cable Head-end Systems Post Production Equipment Broadcast Cameras
Data Processing	Storage and Servers	Security and Encryption Computer Peripherals
	Office Automation	Copiers Printers

Strategy and Competition
Our strategy for expansion is the displacement of ASICs and ASSPs in the development of next generation electronic systems. The costs and risks associated with application-specific devices can only be justified for a short list of high

volume commodity products. Programmable platforms, alternatively, are becoming critical for our customers to meet increasingly stringent product requirements cost, power, performance and density in a business environment characterized by increased complexity, shrinking market windows, rapidly changing market demands, capped engineering budgets, escalating ASIC and ASSP non-recurring engineering costs and increased economic and development risk.

With every new generation of FPGAs, our strategy is to increase the performance, densities and system-level functionality, while driving down cost and power consumption at each manufacturing process node. Secondly, our strategy is to provide simpler, smarter programmable platforms and design methodologies that free up engineers to focus on end product innovation and differentiation.

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Our PLDs compete in the logic IC industry, an industry that is intensely competitive and characterized by rapid technological change, increasing levels of integration, product obsolescence and continuous price erosion. We expect increased competition from our primary PLD competitors, Altera Corporation (Altera), Lattice Semiconductor Corporation (Lattice) and Microsemi Corporation (Microsemi), and from new companies that may enter the traditional programmable logic market segment. In addition, we expect continued competition from the ASIC market, which has been ongoing since the inception of FPGAs, and the ASSP market. Other competitors include manufacturers of:

- high-density programmable logic products characterized by FPGA-type architectures;
- high-volume and low-cost FPGAs as programmable replacements for ASICs and ASSPs;
- ASICs and ASSPs with incremental amounts of embedded programmable logic;
- high-speed, low-density CPLDs;
- high-performance digital signal processing (DSP) devices;
- products with embedded processors;
- products with embedded multi-gigabit transceivers; and
- other new or emerging programmable logic products.

We believe that important competitive factors in the logic IC industry include:

- product pricing;
- time-to-market;
- product performance, reliability, quality, power consumption and density;
- field upgradability;
- adaptability of products to specific applications;
- ease of use and functionality of software design tools;
- availability and functionality of predefined IP;
- inventory and supply chain management;
- access to leading-edge process technology and assembly capacity; and
- ability to provide timely customer service and support.

Silicon Product Overview

A brief overview of the silicon product offerings follows in the table below. These products, other than the 28-nanometer (nm) product families that we introduced in fiscal 2011, comprise the majority of our revenues. Additionally, some of our more mature product families have been excluded from the table, although they continue to generate revenues. We operate and track our results in one operating segment for financial reporting purposes.

Product Families

PLDs	Date Introduced	Capacity	Process Technology
Virtex®-7	June 2010	286K to 2M Logic Cells	28-nm
Kintex -7	June 2010	30K to 478K Logic Cells	28-nm
Artix -7	June 2010	18K to 352K Logic Cells	28-nm
Zynq -7000	March 2011	28K to 235K Logic Cells	28-nm
Virtex-6	February 2009	75K to 760K Logic Cells	40-nm
Spartan®-6	February 2009	4K to 150K Logic Cells	45-nm

Virtex-5	May 2006	20K to 330K Logic Cells	65-nm
Virtex-4	June 2004	12K to 200K Logic Cells	90-nm
Spartan-3A	December 2006	2K to 54K Logic Cells	90-nm
Spartan-3E	March 2005	2K to 33K Logic Cells	90-nm
Spartan-3	April 2003	2K to 75K Logic Cells	90-nm

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See information under the caption Results of Operations Net Revenues in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations for information about our revenues from our product families.

28-nm Product Families

The 7 series devices are fabricated on a high-K metal gate, high performance, low power 28-nm process technology. These devices are based on a unified architecture, which enables design and IP portability across all families and provides designers the ability to achieve the appropriate combination of I/O support, performance, feature quantities, packaging and power consumption to address a wide range of applications. The 7 series devices consist of the following three families:

Virtex-7 FPGAs are optimized for applications requiring the highest capacity, performance, DSP and serial connectivity. Target applications include 400G and 100G line cards, high-performance computing and test and measurement applications.

Kintex-7 FPGAs represent Xilinx s first mid-range FPGA family. These devices maximize price-performance and performance per watt. Target applications include wireless LTE infrastructure, video display technology and medical imaging.

Artix-7 FPGAs offer the lowest power and system cost at higher performance than alternative high volume FPGAs. These devices are targeted to high volume applications such as handheld portable ultrasound devices, multi-function printers and software defined radio.

The Zynq-7000 family is first family of Xilinx EPPs. This new class of product combines an industry-standard ARM dual-core Cortex -A9 MPCore processing system with Xilinx unified 28-nm architecture. There are four devices in the Zynq-7000 EPP family that allow designers to target cost sensitive as well as high-performance applications from a single platform using industry-standard tools. These devices are expected to enable incremental market opportunities in applications such as industrial motor control, driver assistance and smart surveillance systems.

40-nm and 45-nm Product Families

The Virtex-6 FPGA family consists of 13 devices and is the sixth generation in the Virtex series of FPGAs. Virtex-6 FPGAs are fabricated on a high-performance, 40-nm process technology. There are three Virtex-6 families, and each is optimized to deliver different feature mixes to address a variety of markets as follows:

Virtex-6 LXT FPGAs optimized for applications that require high-performance logic, DSP and serial connectivity with low-power 6.6G serial transceivers.

Virtex-6 SXT FPGAs optimized for applications that require ultra high-performance DSP and serial connectivity with low-power 6.6G serial transceivers.

Virtex-6 HXT FPGAs optimized for communications applications that require the highest-speed serial connectivity with up to 11.2G serial transceivers.

The latest generation in the Spartan FPGA series, the Spartan-6 FPGA family, is fabricated on a low-power 45-nm process technology. The Spartan-6 family is the PLD industry s first 45-nm high-volume FPGA family, consisting of 11 devices in two product families:

Spartan-6 LX FPGAs optimized for applications that require the lowest cost.

Spartan-6 LXT FPGAs optimized for applications that require LX features plus 3.125G serial transceivers.

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65-nm Product Families

The Virtex-5 FPGA family consists of 26 devices in five product families: Virtex-5 LX FPGAs for logic-intensive designs, Virtex-5 LXT FPGAs for high-performance logic with serial connectivity, Virtex-5 SXT FPGAs for high-performance DSP with serial connectivity, Virtex-5 FXT FPGAs for embedded processing with serial connectivity and Virtex-5 TXT FPGAs for high-bandwidth serial connectivity.

Other Product Families

Prior generation Virtex families include Virtex-4, Virtex-II Pro, Virtex-II, Virtex-E and the original Virtex family. Spartan family FPGAs include 90-nm Spartan-3 FPGAs, the Spartan-3E family and the Spartan-3A family. Prior generation Spartan families include Spartan-IIE, Spartan-II, Spartan XL and the original Spartan family.

CPLDs operate on the lowest end of the programmable logic density spectrum. CPLDs are single-chip, nonvolatile solutions characterized by instant-on and universal interconnect. CPLDs combine the advantages of ultra low power consumption with the benefits of high performance and low cost. Prior generations of CPLDs include the CoolRunner and XC9500 product families.

EasyPath FPGAs

EasyPath FPGAs offer customers a fast, simple method of cost-reducing FPGA designs. EasyPath FPGAs use the same production masks and fabrication process as standard FPGAs and are tested to a specific customer application to improve yield and lower costs. As a result, EasyPath FPGAs provide customers with significant cost reduction when compared to the standard FPGA devices without the conversion risk, engineering effort, or the additional time required to move to an ASIC. The latest generation of EasyPath FPGAs and EasyPath-7 FPGAs provide lower total product cost of ownership for cost-reducing high performance FPGAs.

Design Platforms and Services

Programmable Platforms

We offer three types of programmable platforms that support our customers designs and reduce their development efforts:

The Base Platform is the delivery vehicle for all of our new silicon offerings used to develop and run customer-specific software applications and hardware designs. Released at launch, the Base Platform is comprised of: FPGA silicon; Integrated Software Environment (ISE®) Design Suite design environment; integration support of optional third-party synthesis, simulation, and signal integrity tools; reference designs; development boards and IP.

The Domain-Specific Platform targets one of the three primary Xilinx FPGA user profiles: the embedded processing developer; the DSP developer; or the logic/connectivity developer. It accomplishes this by augmenting the Base Platform with a targeted set of integrated technologies, including: higher-level design methodologies and tools; domain-specific IP including embedded, DSP and connectivity; domain-specific development hardware and reference designs; and operating systems and software.

The Market-Specific Platform enables software or hardware developers to quickly build and run their specific application or solution. Built for specific markets such as automotive, consumer, aerospace and defense, communications, audio, video and broadcast, industrial, or scientific and medical, the Market-Specific Platform integrates both the Base and Domain-Specific Platforms with higher targeted applications elements such as IP, reference designs and boards optimized for a particular market.

Design Tools

To accommodate the various design methodologies and design flows employed by the wide range of our customers user profiles such as system designers, algorithm designers, software coders and logic designers, we provide the appropriate design environment tailored to each user profile for design creation, design implementation and design verification.

The Xilinx ISE Design Suite features a complete tool chain for the three domain-specific categories: embedded, DSP and logic/connectivity. To further enhance productivity and help customers better manage the complexity of their designs, the ISE Design Suite enables designers to target area, performance, or power by simply selecting a design goal in the setup. In fiscal 2011 we acquired AutoESL Design technologies, Inc (AutoESL), a leading provider of high level C,C++ and System C synthesis technology to provide a more direct flow in retargeting DSPs and general purpose processors designs into our FPGAs. The Xilinx ISE Design Suite also interoperates with a wide range of

third-party electronic design automation (EDA) software point-tools offerings.

Intellectual Property

Xilinx and various third parties offer hundreds of no charge and fee-bearing IP core licenses covering Ethernet, memory controllers and PCIe® interface, as well as an abundance of domain-specific IP in the areas of embedded, DSP and connectivity, as well as market-specific IP cores. In addition, our products and technology leverage industry standards such as ARM AMBA® AXI-4 interconnect technology, IP_XACT and IEEE P1735 encryption to facilitate plug-and-play FPGA design and take advantage of the large ecosystem of ARM IP developers.

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Development Boards, Kits and Configuration Products

In addition to the broad selection of legacy development boards presently offered, we have introduced a new unified board strategy that enables the creation of a standardized and coordinated set of base boards available both from Xilinx and our ecosystem partners, all utilizing the industry-standard extensions that enable customization for market specific applications. Adopting this standard for all of our base boards enables the creation of a unified, scalable and extensible delivery mechanism for all Xilinx programmable platforms.

We also offer comprehensive development kits including hardware, design tools, IP and reference designs that are designed to streamline and accelerate the development of domain-specific and market-specific applications.

Finally, Xilinx offers a range of configuration products including one-time programmable and in-system programmable storage devices to configure Xilinx FPGAs. These PROM (programmable read-only memory) products support all of our FPGA devices.

Third-Party Alliances

Xilinx and certain third parties have developed and continue to offer a robust ecosystem of IP, boards, tools, services and support through the Xilinx alliance program. Xilinx also works with these third parties to promote our programmable platforms through third-party tools, IP, software, boards and design services.

Engineering Services

Xilinx engineering services provide customers with engineering resources to augment their design teams and to provide expert design-specific advice. Xilinx tailors its engineering services to the needs of its customers, ranging from hands-on training to full design creation and implementation.

Research and Development

Our research and development (R&D) activities are primarily directed toward the design of new ICs, the development of new software design automation tools for hardware and embedded software, the design of logic IP, the adoption of advanced semiconductor manufacturing processes for ongoing cost reductions, performance and signal integrity improvements and lowering PLD power consumption. As a result of our R&D efforts, we have introduced a number of new products during the past several years including the Virtex-7, Kintex-7, Artix-7, and Zynq 7000. Virtex-6 and Spartan-6 families. Additionally, we have made enhancements to our IP core offerings and introduced new versions of our ISE Design Suite. We extended our collaboration with our foundry suppliers in the development of 65-nm, 45-nm and 40-nm manufacturing technology and we were the first company in the PLD industry to ship 45-nm high-volume as well as 28-nm FPGA devices.

Our R&D challenge is to continue to develop new products that create cost-effective solutions for customers. In fiscal 2011, 2010 and 2009, our R&D expenses were $392.5 million, $369.5 million and $355.4 million, respectively. We believe technical leadership and innovation are essential to our future success and are committed to maintaining a significant level of R&D investment.

Sales and Distribution

We sell our products to OEMs and to electronic components distributors who resell these products to OEMs or contract manufacturers.

We use dedicated global sales and marketing organizations as well as independent sales representatives to generate sales. In general, we focus our direct demand creation efforts on a limited number of key accounts with independent sales representatives often serving those customers in defined territories. Distributors create demand within the balance of our customer base. Distributors also provide vendor-managed inventory, value-added services and logistics for a wide range of our OEM customers.

Whether Xilinx, the independent sales representative, or the distributor identifies the sales opportunity, a local distributor will process and fulfill the majority of all customer orders. In such situations, distributors are the sellers of the products and as such they bear all legal and financial risks generally related to the sale of commercial goods, such as credit loss, inventory shrinkage, theft and foreign currency fluctuations, but excluding indemnity and warranty liability.

In accordance with our distribution agreements and industry practice, we have granted our authorized distributors the contractual right to return certain amounts of unsold product on a periodic basis and also receive price adjustments for unsold product in the case of a subsequent change in list prices. Revenue recognition on shipments to distributors

worldwide is deferred until the products are sold to the distributors end customers.

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Avnet, Inc. (Avnet) distributes the substantial majority of our products worldwide. No end customer accounted for more than 10% of our net revenues in fiscal 2011, 2010 or 2009. As of April 2, 2011 and April 3, 2010, Avnet accounted for 79% and 83%, respectively, of our total accounts receivable. Resale of product through Avnet accounted for 51%, 49% and 55% of our worldwide net revenues in fiscal 2011, 2010 and 2009, respectively. We also use other regional distributors throughout the world. We believe distributors provide a cost-effective means of reaching a broad range of customers while providing efficient logistics services. Since PLDs are standard products, they do not present many of the inventory risks to distributors posed by ASICs, and they simplify the requirements for distributor technical support. From time to time, we may add or terminate distributors in specific geographies, or move customers to a direct support model as we deem appropriate given our strategies, the level of distributor business activity and distributor performance and financial condition. For example, in the fourth quarter of fiscal 2010, we terminated our relationship with one of our North American-based distributors. See Note 2. Summary of Significant Accounting Policies and Concentrations of Risk to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data, for information about concentrations of credit risk and Note 17. Segment Information for information about our revenues from external customers and domestic and international operations.

Backlog

As of April 2, 2011, our backlog from OEM customers and backlog from end customers reported by our distributors scheduled for delivery within the next three months was $266.0 million, compared to $282.0 million as of April 3, 2010. Orders from end customers to our distributors are subject to changes in delivery schedules or to cancellation without significant penalty. As a result, backlogs from both OEM customers and end customers reported by our distributors as of any particular period may not be a reliable indicator of revenue for any future period.

Wafer Fabrication

As a fabless semiconductor company, we do not manufacture wafers used for our IC products or PROMs. Rather, we purchase wafers from multiple foundries including United Microelectronics Corporation (UMC), Taiwan Semiconductor Manufacturing Company Limited (TSMC), Toshiba Corporation (Toshiba), Seiko Epson Corporation (Seiko), Samsung Electronics Co., Ltd. (Samsung) and He Jian Technology (Suzhou) Co., Ltd. Currently, UMC manufactures the substantial majority of our wafers.

Precise terms with respect to the volume and timing of wafer production and the pricing of wafers produced by the semiconductor foundries are determined by periodic negotiations with each wafer foundry.

Our strategy is to focus our resources on market development and creating new ICs and software design tools rather than on wafer fabrication. We continuously evaluate opportunities to enhance foundry relationships and/or obtain additional capacity from our main suppliers as well as other suppliers of wafers manufactured with leading-edge process technologies.

Sort, Assembly and Test

Wafers are sorted by the foundry or independent sort subcontractors. Sorted die are assembled by subcontractors. During the assembly process, the wafers are separated into individual die, which are then assembled into various package types. Following assembly, the packaged units are generally tested by Xilinx personnel at our Singapore facility or by independent test subcontractors. We purchase most of our assembly and some of our test services from Siliconware Precision Industries Ltd. in Taiwan, Amkor Technology, Inc. in Korea and the Philippines and STATS ChipPAC Ltd. in Singapore.

Quality Certification

Xilinx has achieved quality management systems certification for ISO 9001:2000 for our facilities in San Jose, California; Dublin, Ireland; Longmont, Colorado; Singapore and Albuquerque, New Mexico. In addition, Xilinx achieved ISO 14001 and TL 9000 environmental and quality certifications in the San Jose, Dublin, Singapore and Albuquerque locations.

Patents and Licenses

While our various proprietary intellectual property rights are important to our success, we believe our business as a whole is not materially dependent on any particular patent or license, or any particular group of patents or licenses. As of April 2, 2011, we held more than 2,500 issued United States (U.S.) patents, which vary in duration, and over 600

pending U.S. patent applications relating to our proprietary technology. We maintain an active program of filing for additional patents in the areas of, but not limited to, circuits, software, IC architecture, IP, system design, testing methodologies and other technologies relating to our products and business. We have licensed some parties to certain portions of our patent portfolio and obtained licenses to certain third-party patents as well.

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We have acquired various licenses from third parties to certain technologies that are implemented in IP or embedded in our PLDs, such as processors. Those licenses support our continuing ability to make and sell these PLDs to our customers. We also sublicense certain third-party proprietary software and open-source software, such as compilers, for our design tools. Continued use of those software components is important to the operation of the design tools upon which customers depend.

We maintain the Xilinx trade name as well as numerous trademarks, and registered trademarks including Xilinx, the Xilinx logo, Artix, Kintex, Virtex, Spartan, ISE, Zynq and associated logos. Maintaining these rights, and the goodwill associated with these trademarks and logos, is important to our business. We also have license rights to use certain trademarks owned by consortiums and other trademark owners that are related to our products and business.

We intend to continue to protect our IP (including, for example, patents, copyrights and trademarks) vigorously. We believe that failure to enforce our intellectual property rights or failure to protect our trade secrets effectively could have an adverse effect on our financial condition and results of operations. We incurred, and in the future we may continue to incur, litigation expenses to defend against claims of infringement and to enforce our intellectual property rights against third parties. However, any such litigation may or may not be successful.

Employees

As of April 2, 2011, we had 3,099 employees compared to 2,948 as of the end of the prior fiscal year. None of our employees are represented by a labor union. We have not experienced any work stoppages and believe we maintain good employee relations.

Executive Officers of the Registrant

Certain information regarding the executive officers of Xilinx as of June 1, 2011 is set forth below:

Name	Age	Position
Moshe N. Gavrielov	56	President and Chief Executive Officer (CEO)
Scott R. Hover-Smoot	56	Vice President, General Counsel and Secretary
Jon A. Olson	57	Senior Vice President, Finance and Chief Financial Officer (CFO)
Victor Peng	51	Senior Vice President, Programmable Platforms Development
Raja G. Petrakian	47	Senior Vice President, Worldwide Operations
Vincent F. Ratford	59	Senior Vice President, Worldwide Marketing and Business Development
Vincent L. Tong	49	Senior Vice President, Worldwide Quality and New Product Introductions
Frank A. Tornaghi	56	Senior Vice President, Worldwide Sales

There are no family relationships among the executive officers of the Company or the Board of Directors.

Moshe N. Gavrielov joined the Company in January 2008 as President and CEO and was appointed to the Board of Directors in February 2008. Prior to joining the Company, Mr. Gavrielov served at Cadence Design Systems, Inc., an electronic design automation company, as Executive Vice President and General Manager of the Verification Division from April 2005 through November 2007. Mr. Gavrielov served as CEO of Verisity Ltd., an electronic design automation company, from March 1998 to April 2005 prior to its acquisition by Cadence Design Systems, Inc. Prior to joining Verisity, Mr. Gavrielov spent nearly 10 years at LSI Corporation (formerly LSI Logic Corporation), a semiconductor manufacturer, in a variety of executive management positions, including Executive Vice President of the Products Group, Senior Vice President and General Manager of International Marketing and Sales and Senior Vice President and General Manager of LSI Logic Europe plc. Prior to joining LSI Corporation, Mr. Gavrielov held various engineering and engineering management positions at Digital Equipment Corporation and National Semiconductor Corporation.

Scott R. Hover-Smoot joined the Company in October 2007 as Vice President, General Counsel and Secretary. From November 2001 to October 2007, Mr. Hover-Smoot served as Regional Counsel and Director of Legal Operations with TSMC, an independent semiconductor foundry. He served as Vice President and General Counsel of California Micro Devices Corporation, a provider of application-specific protection devices and display electronics devices from

June 1994 to November 2001. Prior to joining California Micro Devices Corporation, Mr. Hover-Smoot spent over 20 years working in law firms including Berliner-Cohen, Flehr, Hohbach, Test, Albritton & Herbert and Lyon & Lyon.

Jon A. Olson joined the Company in June 2005 as Vice President, Finance and CFO. Mr. Olson was promoted to his current position of Senior Vice President, Finance and CFO in August 2006. Prior to joining the Company, Mr. Olson spent more than 25 years at Intel Corporation, a semiconductor chip maker, serving in a variety of positions, including Vice President, Finance and Enterprise Services, Director of Finance.

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Victor Peng joined the Company in April 2008 as Senior Vice President, Silicon Engineering Group and assumed his current position of Senior Vice President, Programmable Platforms Development in November 2008. Prior to joining the Company, Mr. Peng served as Corporate Vice President, Graphics Products Group at Advanced Micro Devices (AMD), a provider of processing solutions, from November 2005 to April 2008. Before joining AMD, Mr. Peng served as Vice President of Silicon Engineering in the Graphics Products Group business unit at ATI Technologies, a graphics processor unit provider, from November 2005 until its acquisition by AMD. Before joining ATI Technologies, Mr. Peng served as Vice President of Engineering at TZero Technologies, a fabless semiconductor company, from September 2004 to April 2005. From November 2000 to September 2004, Mr. Peng served as Vice President of Engineering at MIPS Technologies, a semiconductor design IP company.

Raja G. Petrakian joined the Company in October 1995 and has served in a number of key roles within Operations, most recently as Senior Director of Supply Chain Management and Vice President of Supply Chain Management. Dr. Petrakian was promoted to his current position of Senior Vice President, Worldwide Operations in March 2009. Prior to joining Xilinx, Dr. Petrakian spent more than three years at the IBM T.J. Research Center serving as a research staff member in the Manufacturing Research Department.

Vincent F. Ratford joined the Company in January 2006 as Senior Director of Marketing and Business Development. Mr. Ratford was promoted to Vice President and General Manager in October 2007. He was promoted to Senior Vice President, Solutions Development Group in April 2008 and assumed his current position of Senior Vice President, Worldwide Marketing in November 2008. Prior to joining the Company, he served as President and CEO of AccelChip, Inc., a provider of synthesis software tools for designing DSP systems, from July 2004 until its acquisition by Xilinx in January 2006. Prior to that, Mr. Ratford operated the consulting firm, DeepTech Consulting, from April 2002 to July 2004. Mr. Ratford worked at Virage Logic Corporation, a provider of semiconductor IP, as Vice President of Marketing and Business Development from July 2000 to April 2002 and as Vice President of Sales and Marketing from February 1998 to July 2000. Before joining Virage Logic, Mr. Ratford served as Chief Operating Officer of the Microtec Division of Mentor Graphics, a provider of hardware and software design solutions to semiconductor companies, from October 1995 to December 1997. Before joining the Microtec Division, he was Director of Marketing for Mentor Graphics System Design Division from May 1993 to October 1995.

Vincent L. Tong joined the Company in May 1990 and has served in a number of key roles, most recently as Vice President of Product Technology and as Vice President, Worldwide Quality and Reliability. In April 2008, he was promoted to his current position of Senior Vice President, Worldwide Quality and New Product Introductions. Prior to joining the Company, Mr. Tong served in a variety of engineering positions at Monolithic Memories, a producer of logic devices, and AMD. Mr. Tong serves on the board of the Global Semiconductor Alliance, a non-profit semiconductor organization.

Frank A. Tornaghi joined the Company in February 2008 as Vice President, Worldwide Sales and was promoted to his current position of Senior Vice President, Worldwide Sales in April 2008. Prior to joining the Company, Mr. Tornaghi spent 22 years at LSI Corporation. Mr. Tornaghi acted as an independent consultant from April 2006 until he joined the Company. He served as Executive Vice President, Worldwide Sales at LSI Corporation from July 2001 to April 2006 and as Vice President, North America Sales, from May 1993 to July 2001. From 1984 until May 1993, Mr. Tornaghi held various management positions in sales at LSI Corporation.

Additional Information

We make available, via a link through our investor relations website located at www.investor.xilinx.com, access to our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (Exchange Act) as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (SEC). All such filings on our investor relations website are available free of charge. Printed copies of these documents are also available to stockholders without charge, upon written request directed to Xilinx, Inc., Attn: Investor Relations, 2100 Logic Drive, San Jose, CA 95124. Further, a copy of this Annual Report on Form 10-K is located at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and

other information regarding our filings at http://www.sec.gov. The content on any website referred to in this filing is not incorporated by reference into this filing unless expressly noted otherwise.

Additional information required by this Item 1 is incorporated by reference to the section captioned Net Revenues Net Revenues by Geography in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and to Note 17. Segment Information to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data.

This annual report includes trademarks and service marks of Xilinx and other companies that are unregistered and registered in the U.S. and other countries.

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ITEM 1A. RISK FACTORS

The following risk factors and other information included in this Annual Report on Form 10-K should be carefully considered. The risks and uncertainties described below are not the only risks to the Company. Additional risks and uncertainties not presently known to the Company or that the Company s management currently deems immaterial also may impair its business operations. If any of the risks described below were to occur, our business, financial condition, operating results and cash flows could be materially adversely affected.

Our success depends on our ability to develop and introduce new products and failure to do so would have a material adverse impact on our financial condition and results of operations.

Our success depends in large part on our ability to develop and introduce new products that address customer requirements and compete effectively on the basis of price, density, functionality, power consumption and performance. The success of new product introductions is dependent upon several factors, including:

- timely completion of new product designs;
- ability to generate new design opportunities or design wins;
- availability of specialized field application engineering resources supporting demand creation and customer adoption of new products;
- ability to utilize advanced manufacturing process technologies on circuit geometries of 45-nm and smaller;
- achieving acceptable yields;
- ability to obtain adequate production capacity from our wafer foundries and assembly and test subcontractors;
- ability to obtain advanced packaging;
- availability of supporting software design tools;
- utilization of predefined IP of logic;
- customer acceptance of advanced features in our new products; and
- market acceptance of our customers products.

Our product development efforts may not be successful, our new products may not achieve industry acceptance and we may not achieve the necessary volume of production that would lead to further per unit cost reductions. Revenues relating to our mature products are expected to decline in the future, which is normal for our product life cycles. As a result, we may be increasingly dependent on revenues derived from design wins for our newer products as well as anticipated cost reductions in the manufacture of our current products. We rely primarily on obtaining yield improvements and corresponding cost reductions in the manufacture of existing products, and on introducing new products that incorporate advanced features and other price/performance factors that enable us to increase revenues while maintaining consistent margins. To the extent that such cost reductions and new product introductions do not occur in a timely manner, or to the extent that our products do not achieve market acceptance at prices with higher margins, our financial condition and results of operations could be materially adversely affected.

We rely on independent foundries for the manufacture of all of our products and a manufacturing problem or insufficient foundry capacity could adversely affect our operations.

Nearly all of our wafers were manufactured either in Taiwan, by UMC, or in Japan, by Toshiba. In addition, the wafers for our older products are manufactured in Japan by Seiko and the wafers for some of our newer products are manufactured in South Korea, by Samsung and in Taiwan, by TSMC. Terms with respect to the volume and timing of wafer production and the pricing of wafers produced by the semiconductor foundries are determined by periodic negotiations between Xilinx and these wafer foundries, which usually result in short-term agreements that do not provide for long-term supply or allocation commitments. We are dependent on these foundries, especially UMC, which supplies the substantial majority of our wafers. We rely on UMC and our other foundries to produce wafers with competitive performance and cost attributes. Therefore, the foundries must be able to transition to advanced manufacturing process technologies and increased wafer sizes, produce wafers at acceptable yields and deliver them in a timely manner. We cannot guarantee that the foundries that supply our wafers will not experience manufacturing problems, including delays in the realization of advanced manufacturing process technologies or difficulties due to limitations of new and existing process technologies. Furthermore, we cannot guarantee the foundries will be able to manufacture sufficient quantities of our products or continue to manufacture a product for the full life of the product.

In addition, unpredictable economic conditions may adversely impact the financial health and viability of the foundries and result in their insolvency or their inability to meet their commitments to us. For example, in the first quarter of fiscal 2010, we experienced supply shortages due to the difficulties encountered by the foundries when they had to rapidly increase their production capacities from low utilization levels to high utilization levels because of an unexpected increase in demand. In the fourth quarter of fiscal 2010 and first nine months of fiscal 2011, we also experienced supply shortages due to very strong demand for our products and a surge in demand for semiconductors in general, which has led to tightening of foundry capacity across the industry. The insolvency of a foundry or any significant manufacturing problem or insufficient foundry capacity would disrupt our operations and negatively impact our financial condition and results of operations.

We have established other sources of wafer supply for many of our products in an effort to secure a continued supply of wafers. However, establishing, maintaining and managing multiple foundry relationships require the investment of management resources as well as additional costs. If we do not manage these relationships effectively, it could adversely affect our results of operations.

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General economic conditions and the related deterioration in the global business environment could have a material adverse effect on our business, operating results and financial condition.

During the past three years, global consumer confidence eroded amidst concerns over declining asset values, inflation, volatility in energy costs, geopolitical issues, the availability and cost of credit, rising unemployment, and the stability and solvency of financial institutions, financial markets, businesses and sovereign nations, among other concerns. These concerns slowed global economic growth and resulted in recessions in numerous countries, including many of those in North America, Europe and Asia. These economic conditions had a negative impact on our results of operations during the third and fourth quarters of fiscal 2009 and the first and second quarters of fiscal 2010 due to reduced customer demand. While there have been recent improvements in global economic conditions and our results of operations improved during the second half of fiscal 2010 and fiscal 2011, there is no guarantee that these improvements will continue in the future. Recent events have shown that the financial conditions of sovereign nations, particularly in Europe, are of continuing concern. If unpredictable economic conditions persist or worsen, a number of negative effects on our business could result, including customers or potential customers reducing or delaying orders, the insolvency of key suppliers, which could result in production delays, the inability of customers to obtain credit, and the insolvency of one or more customers. Any of these effects could impact our ability to effectively manage inventory levels and collect receivables and ultimately decrease our net revenues and profitability.

The semiconductor industry is characterized by cyclical market patterns and a significant industry downturn could adversely affect our operating results.

The semiconductor industry is highly cyclical and our financial performance has been affected by downturns in the industry. Down cycles are generally characterized by price erosion and weaker demand for our products. Weaker demand for our products resulting from economic conditions in the end markets we serve and reduced capital spending by our customers can result, and in the past has resulted in excess and obsolete inventories and corresponding inventory write-downs. We attempt to identify changes in market conditions as soon as possible; however, the dynamics of the market in which we operate make prediction of and timely reaction to such events difficult. Due to these and other factors, our past results are not reliable predictors of our future results.

The nature of our business makes our revenues difficult to predict which could have an adverse impact on our business.

In addition to the challenging market conditions we may face, we have limited visibility into the demand for our products, particularly new products, because demand for our products depends upon our products being designed into our end customers products and those products achieving market acceptance. Due to the complexity of our customers designs, the design to volume production process for our customers requires a substantial amount of time, frequently longer than a year. In addition, we are dependent upon turns (orders received and turned for shipment in the same quarter). These factors make it difficult for us to forecast future sales and project quarterly revenues. The difficulty in forecasting future sales impairs our ability to project our inventory requirements, which could result, and in the past has resulted, in inventory write-downs or failure to timely meet customer product demands. In addition, difficulty in forecasting revenues compromises our ability to provide forward-looking revenue and earnings guidance.

If we are not able to successfully compete in our industry, our financial results and future prospects will be adversely affected.

Our PLDs compete in the logic IC industry, an industry that is intensely competitive and characterized by rapid technological change, increasing levels of integration, product obsolescence and continuous price erosion. We expect increased competition from our primary PLD competitors, Altera, Lattice and Microsemi (which acquired Actel Corporation during the third quarter of fiscal 2011), and from new market entrants. In addition, competition from the ASIC market and from the ASSP market continues. We believe that important competitive factors in the logic IC industry include:

- product pricing;
- time-to-market;
- product performance, reliability, quality, power consumption and density;
- field upgradeability;
- adaptability of products to specific applications;

ease of use and functionality of software design tools;
availability and functionality of predefined IP of logic;
inventory and supply chain management;
access to leading-edge process technology and assembly capacity; and
ability to provide timely customer service and support.

Our strategy for expansion in the logic market includes continued introduction of new product architectures that address high-volume, low-cost and low-power applications as well as high-performance, high-density applications. In addition, we anticipate continued pricing pressure from our customers to reduce prices, which may outpace our ability to lower the cost for established products. However, we may not be successful in executing these strategies.

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Other competitors include manufacturers of:

- high-density programmable logic products characterized by FPGA-type architectures;
- high-volume and low-cost FPGAs as programmable replacements for ASICs and ASSPs;
- ASICs and ASSPs with incremental amounts of embedded programmable logic;
- high-speed, low-density complex programmable logic devices;
- high-performance DSP devices;
- products with embedded processors;
- products with embedded multi-gigabit transceivers; and
- other new or emerging programmable logic products.

Several companies have introduced products that compete with ours or have announced their intention to sell PLD products. To the extent that our efforts to compete are not successful, our financial condition and results of operations could be materially adversely affected.

The benefits of programmable logic have attracted a number of competitors to this segment. We recognize that different applications require different programmable technologies, and we are developing architectures, processes and products to meet these varying customer needs. Recognizing the increasing importance of standard software solutions, we have developed common software design tools that support the full range of our IC products. We believe that automation and ease of design are significant competitive factors in this segment.

We could also face competition from our licensees. In the past we have granted limited rights to other companies with respect to certain of our older technology, and we may do so in the future. Granting such rights may enable these companies to manufacture and market products that may be competitive with some of our older products.

Recent events in Japan may adversely impact our business.

In March 2011, the northern region of Japan experienced a severe earthquake followed by a tsunami and nuclear plant shutdown. These events caused significant damages in that region and have adversely affected Japan s infrastructure and economy. While Japan is a resilient country, and we expect Japan to recover from this devastation, it is unknown when such recovery will occur.

Certain of our foundries and manufacturing plants in our supply chain are located in Japan and were negatively impacted by the natural disasters, particularly as a result of disruptions to the country s power supply. For example, certain suppliers of wafers and substrates were temporarily forced to halt production. While we have secured alternate sources for these materials, there can be no assurance that we will not experience the absence of components or supplies, delays in obtaining their delivery or increases in prices in the future as the impact of the natural disasters in Japan unfolds.

In addition, a number of our customers are located in Japan, which accounted for 8% of our revenue in fiscal 2011. As a result of the earthquake, we were temporarily unable to ship product to customers located in the areas impacted by the natural disaster. Other customers not located near the epicenter of the earthquake may also be affected by the consequences of these natural disasters. If adverse conditions persist, we may experience delay or cancellation of orders from such customers, which would adversely affect our revenue and results of operations.

In addition, a nuclear power plant in the region was damaged and released radiation into the atmosphere. The impact of this radiation is unknown at this time. If the consequences of the radiation are more severe than currently anticipated, our customers and suppliers may be affected. Any significant disruption of our suppliers and customers business in Japan could have an adverse impact on our business.

Increased costs of wafers and materials, or shortages in wafers and materials, could adversely impact our gross margins and lead to reduced revenues.

If greater demand for wafers is not offset by an increase in foundry capacity, or market demand for wafers or production and assembly materials increases, or if a supplier of our wafers ceases or suspends operations, our supply of wafers and other materials could become limited. Such shortages raise the likelihood of potential wafer price increases and wafer shortages or shortages in materials at production and test facilities and our resulting potential inability to address customer product demands in a timely manner. For example, as a result of the March 2011 earthquake in Japan, certain suppliers were forced to temporarily halt production, resulting in a tightening of supply for those materials. Such shortages of wafers and materials as well as increases in wafer prices or materials could

adversely affect our gross margins and would adversely affect our ability to meet customer demands and lead to reduced revenue.

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We depend on distributors, primarily Avnet, to generate a majority of our sales and complete order fulfillment.
Resale of product through Avnet accounted for 51% of our worldwide net revenues in fiscal 2011, and as of April 2, 2011, Avnet accounted for 79% of our total accounts receivable. To align with our strategic initiative to consolidate our distribution channel, we have further strengthened our partnership with Avnet and recently, Avnet committed more personnel and resources to our business. In return for these long-term commitments, we agreed to temporarily extend payment terms for Avnet, which increased our trade accounts receivable balance and days sales outstanding (DSO) as of the end of our second and third quarter of fiscal 2011 compared to our historical level. Our trade accounts receivable balance and DSO levels specific to Avnet decreased in the fourth quarter of fiscal 2011 when Avnet returned to standard payment terms. Any adverse change to our relationship with Avnet or our remaining distributors could have a material impact on our business. Furthermore, if a key distributor materially defaults on a contract or otherwise fails to perform, our business and financial results would suffer. In addition, we are subject to concentrations of credit risk in our trade accounts receivable, which includes accounts of our distributors. A significant reduction of effort by a distributor to sell our products or a material change in our relationship with one or more distributors may reduce our access to certain end customers and adversely affect our ability to sell our products.
In addition, the financial health of our distributors and our continuing relationships with them are important to our success. Unpredictable economic conditions may adversely impact the financial health of some of these distributors, particularly our smaller distributors. This could result in the insolvency of certain distributors, the inability of distributors to obtain credit to finance the purchase of our products, or cause distributors to delay payment of their obligations to us and increase our credit risk exposure. Our business could be harmed if the financial health of these distributors impairs their performance and we are unable to secure alternate distributors.
We are dependent on independent subcontractors for most of our assembly and test services, and unavailability or disruption of these services could negatively impact our financial condition and results of operations.
We are also dependent on subcontractors to provide semiconductor assembly, substrate, test and shipment services. Any prolonged inability to obtain wafers with competitive performance and cost attributes, adequate yields or timely delivery, any disruption in assembly, test or shipment services, or any other circumstance that would require us to seek alternative sources of supply, could delay shipments and have a material adverse effect on our ability to meet customer demands. In addition, unpredictable economic conditions may adversely impact the financial health and viability of these subcontractors and result in their insolvency or their inability to meet their commitments to us. These factors would result in reduced net revenues and could negatively impact our financial condition and results of operations.
A number of factors, including our inventory strategy, can impact our gross margins.
A number of factors, including yield, wafer pricing, product mix, market acceptance of our new products, competitive pricing dynamics, geographic and/or market segment pricing strategies cause our gross margins to fluctuate. In addition, forecasting our gross margins is difficult because a significant portion of our business is based on turns within the same quarter.
Our current inventory levels are higher than historical norms due to our decision to build incremental safety stock and to build ahead of a planned closure of a particular foundry process line at one of our foundry partners. In the event demand does not materialize, we may be subject to incremental obsolescence costs. In addition, future product cost reductions could have an increased impact on our inventory valuation, which would then impact our operating results.
Reductions in the average selling prices of our products could have a negative impact on our gross margins.
The average selling prices of our products generally decline as the products mature. We seek to offset the decrease in selling prices through yield improvement, manufacturing cost reductions and increased unit sales. We also continue to develop higher value products or product features that increase, or slow the decline of, the average selling price of our products. However, there is no guarantee that our ongoing efforts will be successful or that they will keep pace with the decline in selling prices of our products, which could ultimately lead to a decline in revenues and have a negative effect on our gross margins.
Because of our international business and operations, we are vulnerable to the economic conditions of the countries in which we operate and currency fluctuations could have a material adverse affect on our business and negatively impact our financial condition and results of operations.

In addition to our U.S. operations, we also have significant international operations, including foreign sales offices to support our international customers and distributors, our regional headquarters in Ireland and Singapore and a research and development site in India. In connection with the restructuring we announced in April 2009, our international operations grew as we relocated certain operations and administrative functions outside the U.S. Sales and operations outside of the U.S. subject us to the risks associated with conducting business in foreign economic and regulatory environments. Our financial condition and results of operations could be adversely affected by unfavorable economic conditions in countries in which we do significant business or by changes in foreign currency exchange rates affecting those countries. We derive over one-half of our revenues from international sales, primarily in the Asia Pacific region, Europe and Japan. Past economic weakness in these markets adversely affected revenues. While there have been signs of economic recovery in the U.S. and other markets, there can be no assurance that such improvement will continue or is sustainable. Sales to all direct OEMs and distributors are denominated in U.S. dollars. While the recent movement of the Euro and Yen against the U.S. dollar had no material impact to our business, increased volatility could impact our European and Japanese customers. Currency instability and volatility and disruptions in the credit and capital markets may increase credit risks for some of our customers and may impair our customers ability to repay existing obligations. Increased currency volatility could also positively or negatively impact our foreign-currency-denominated costs, assets and liabilities. In addition, devaluation of the U.S. dollar relative to other foreign currencies may increase the operating expenses of our foreign subsidiaries adversely affecting our results of operations. Furthermore, because we are increasingly dependent on the global economy, instability in worldwide economic environments occasioned, for example, by political instability, terrorist activity or U.S. or other military actions could adversely impact economic activity and lead to a contraction of capital spending by our customers. Any or all of these factors could adversely affect our financial condition and results of operations in the future.

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We are subject to the risks associated with conducting business operations outside of the U.S. which could adversely affect our business.

In addition to international sales and support operations and development activities, we purchase our wafers from foreign foundries and have our commercial products assembled, packaged and tested by subcontractors located outside the U.S. All of these activities are subject to the uncertainties associated with international business operations, including tax laws and regulations, trade barriers, economic sanctions, import and export regulations, duties and tariffs and other trade restrictions, changes in trade policies, foreign governmental regulations, potential vulnerability of and reduced protection for IP, longer receivable collection periods and disruptions or delays in production or shipments, any of which could have a material adverse effect on our business, financial condition and/or operating results. Additional factors that could adversely affect us due to our international operations include rising oil prices and increased costs of natural resources. Moreover, our financial condition and results of operations could be affected in the event of political conflicts or economic crises in countries where our main wafer providers, end customers and contract manufacturers who provide assembly and test services worldwide, are located. Adverse change to the circumstances or conditions of our international business operations could have a material adverse effect on our business.

We are exposed to fluctuations in interest rates and changes in credit rating and in the market values of our portfolio investments which could have a material adverse impact on our financial condition and results of operations.

Our cash, short-term and long-term investments represent significant assets that may be subject to fluctuating or even negative returns depending upon interest rate movements, changes in credit rating and financial market conditions. Since September 2007, the global credit markets have experienced adverse conditions that have negatively impacted the values of various types of investment and non-investment grade securities. During this time, the global credit and capital markets have experienced significant volatility and disruption due to instability in the global financial system, uncertainty related to global economic conditions and concerns regarding sovereign financial stability.

While general conditions in the global credit markets have improved, there is a risk that we may incur other-than-temporary impairment charges for certain types of investments should credit market conditions deteriorate or the underlying assets fail to perform as anticipated. Our future investment income may fall short of expectations due to changes in interest rates or if the decline in fair values of our debt securities is judged to be other than temporary. Furthermore, we may suffer losses in principal if we are forced to sell securities that have declined in market value due to changes in interest rates or financial market conditions.

Our failure to protect and defend our intellectual property could impair our ability to compete effectively.

We rely upon patent, copyright, trade secret, mask work and trademark laws to protect our intellectual property. We cannot provide assurance that such intellectual property rights can be successfully asserted in the future or will not be invalidated, violated, circumvented or challenged. From time to time, third parties, including our competitors, have asserted against us patent, copyright and other intellectual property rights to technologies that are important to us. Third parties may attempt to misappropriate our IP through electronic or other means or assert infringement claims against our indemnitees or us in the future. Such assertions by third parties may result in costly litigation, indemnity claims or other legal actions, and we may not prevail in such matters or be able to license any valid and infringed patents from third parties on commercially reasonable terms. This could result in the loss of our ability to import and sell our products. Any infringement claim, indemnification claim, or impairment or loss of use of our intellectual property could materially adversely affect our financial condition and results of operations.

We rely on information technology systems, and failure of these systems to function properly or unauthorized access to our systems could result in business disruption.

We rely in part on various information technology (IT) systems to manage our operations, including financial reporting, and we regularly evaluate these systems and make changes to improve them as necessary. Consequently, we periodically implement new, or enhance existing, operational and IT systems, procedures and controls. For example, in the past we simplified our supply chain and were required to make certain changes to our IT systems. Any delay in the implementation of, or disruption in the transition to, new or enhanced systems, procedures or controls, could harm our ability to record and report financial and management information on a timely and accurate basis. These systems

are also subject to power and telecommunication outages or other general system failures. Failure of our IT systems or difficulties in managing them could result in business disruption. We also may be subject to unauthorized access to our IT systems through a security breach or attack. We seek to detect and investigate any security incidents and prevent their recurrence, but in some cases, we might be unaware of an incident or its magnitude and effects. Our business could be significantly harmed and we could be subject to third party claims in the event of such a security breach.

Earthquakes and other natural disasters could disrupt our operations and have a material adverse affect on our financial condition and results of operations.

The independent foundries upon which we rely to manufacture our products, as well as our California and Singapore facilities, are located in regions that are subject to earthquakes and other natural disasters. UMC s foundries in Taiwan and Toshiba s and Seiko s foundries in Japan as well as many of our operations in California are centered in areas that have been seismically active in the recent past and some areas have been affected by other natural disasters such as typhoons. Any catastrophic event in these locations will disrupt our operations, including our manufacturing activities and our insurance may not cover losses resulting from such disruptions of our operations. Furthermore, this type of disruption could result in our inability to manufacture or ship products, thereby materially adversely affecting our financial condition and results of operations. For example, as a result of the March 2011 earthquake in Japan, production at the Seiko foundry at Sakata was halted temporarily, impacting production of some of our older devices. In addition, suppliers of wafers and substrates were forced to halt production temporarily. Disruption of operations at these foundries for any reason, including other natural disasters such as typhoons, tsunamis, volcano eruptions, fires or floods, as well as disruptions in access to adequate supplies of electricity, natural gas or water could cause delays in shipments of our products, and could have a material adverse effect on our results of operations.

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If we are unable to maintain effective internal controls, our stock price could be adversely affected.

We are subject to the ongoing internal control provisions of Section 404 of the Sarbanes-Oxley Act of 2002 (the Act). Our controls necessary for continued compliance with the Act may not operate effectively at all times and may result in a material weakness disclosure. The identification of material weaknesses in internal control, if any, could indicate a lack of proper controls to generate accurate financial statements and could cause investors to lose confidence and our stock price to drop.

We compete with others to attract and retain key personnel, and any loss of, or inability to attract, such personnel would harm us.

We depend on the efforts and abilities of certain key members of management and other technical personnel. Our future success depends, in part, upon our ability to retain such personnel and attract and retain other highly qualified personnel, particularly product engineers. Competition for such personnel is intense and we may not be successful in hiring or retaining new or existing qualified personnel. From time to time we have effected restructurings which eliminate a number of positions. Even if such personnel are not directly affected by the restructuring effort, such terminations can have a negative impact on morale and our ability to attract and hire new qualified personnel in the future. If we lose existing qualified personnel or are unable to hire new qualified personnel, as needed, our business, financial condition and results of operations could be seriously harmed.

Unfavorable results of legal proceedings could adversely affect our financial condition and operating results.

From time to time we are subject to various legal proceedings and claims that arise out of the ordinary conduct of our business. Certain claims are not yet resolved, including those that are discussed under Item 1. Legal Proceedings, included in Part II, and additional claims may arise in the future. Results of legal proceedings cannot be predicted with certainty. Regardless of its merit, litigation may be both time-consuming and disruptive to our operations and cause significant expense and diversion of management attention and we may enter into material settlements to avoid these risks. Should we fail to prevail in certain matters, or should several of these matters be resolved against us in the same reporting period, we may be faced with significant monetary damages or injunctive relief against us that would materially and adversely affect a portion of our business and might materially and adversely affect our financial condition and operating results.

Our products could have defects which could result in reduced revenues and claims against us.

We develop complex and evolving products that include both hardware and software. Despite our testing efforts and those of our subcontractors, defects may be found in existing or new products. These defects may cause us to incur significant warranty, support and repair or replacement costs, divert the attention of our engineering personnel from our product development efforts and harm our relationships with customers. Subject to certain terms and conditions, we have agreed to compensate certain customers for limited specified costs they actually incur in the event our hardware products experience epidemic failure. As a result, epidemic failure and other performance problems could result in claims against us, the delay or loss of market acceptance of our products and would likely harm our business. Our customers could also seek damages from us for their losses.

In addition, we could be subject to product liability claims. A product liability claim brought against us, even if unsuccessful, would likely be time-consuming and costly to defend. Product liability risks are particularly significant with respect to aerospace, automotive and medical applications because of the risk of serious harm to users of these products. Any product liability claim, whether or not determined in our favor, could result in significant expense, divert the efforts of our technical and management personnel, and harm our business.

In preparing our financial statements, we make good faith estimates and judgments that may change or turn out to be erroneous.

In preparing our financial statements in conformity with accounting principles generally accepted in the U.S., we must make estimates and judgments in applying our most critical accounting policies. Those estimates and judgments have a significant impact on the results we report in our consolidated financial statements. The most difficult estimates and subjective judgments that we make concern valuation of marketable and non-marketable securities, revenue recognition, inventories, long-lived assets including acquisition-related intangibles, goodwill, taxes and stock-based compensation. We base our estimates on historical experience, input from outside experts and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making

judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We also have other key accounting policies that are not as subjective, and therefore, their application would not require us to make estimates or judgments that are as difficult, but which nevertheless could significantly affect our financial reporting. Actual results may differ materially from these estimates. If these estimates or their related assumptions change, our operating results for the periods in which we revise our estimates or assumptions could be adversely and perhaps materially affected.

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Our failure to comply with the requirements of the International Traffic and Arms Regulations could have a material adverse effect on our financial condition and results of operations.

Certain Xilinx space-grade FPGAs and related technologies are subject to the International Traffic in Arms Regulations (ITAR), which are administered by the U.S. Department of State. The ITAR governs the export and reexport of these FPGAs, the transfer of related technical data and the provision of defense services, as well as offshore production, test and assembly. We are required to maintain an internal compliance program and security infrastructure to meet ITAR requirements.

An inability to obtain the required export licenses, or to predict when they will be granted, increases the difficulties of forecasting shipments. In addition, security or compliance program failures that could result in penalties or a loss of export privileges, as well as stringent ITAR licensing restrictions that may make our products less attractive to overseas customers, could have a material adverse effect on our business, financial condition and/or operating results.

Considerable amounts of our common shares are available for issuance under our equity incentive plans and convertible debentures, and significant issuances in the future may adversely impact the market price of our common shares.

As of April 2, 2011, we had 2.00 billion authorized common shares, of which 264.6 million shares were outstanding. In addition, 49.7 million common shares were reserved for issuance pursuant to our equity incentive plans and Employee Stock Purchase Plan, 42.7 million common shares were reserved for issuance upon conversion or repurchase of the convertible debentures and 19.8 million common shares were reserved for issuance upon exercise of warrants. The availability of substantial amounts of our common shares resulting from the exercise or settlement of equity awards outstanding under our equity incentive plans or the conversion or repurchase of convertible debentures using common shares, which would be dilutive to existing stockholders, could adversely affect the prevailing market price of our common shares and could impair our ability to raise additional capital through the sale of equity securities.

We have indebtedness that could adversely affect our financial position and prevent us from fulfilling our debt obligations.

The aggregate principal amount of our consolidated indebtedness as of April 2, 2011 was $1.29 billion (principal amount). We also may incur additional indebtedness in the future. Our indebtedness may:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on the debentures and our other indebtedness;
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions or other general corporate purposes;
- limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general business purposes;
- require us to use a portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to our less leveraged competitors;
- increase our vulnerability to the impact of adverse economic and industry conditions; and
- require us to repatriate off-shore cash to the U.S. at unfavorable tax rates.

Our ability to meet our debt service obligations will depend on our future performance, which will be subject to financial, business and other factors affecting our operations, many of which are beyond our control.

The call options and warrant transactions related to our 2.625% Senior Convertible Debentures due June 15, 2017 (2.625% Debentures) may affect the value of the debentures and our common stock.

To hedge against potential dilution upon conversion of the 2.625% Debentures, we purchased call options on our common stock from the hedge counterparties. We also sold warrants to the hedge counterparties, which could separately have a dilutive effect on our earnings per share to the extent that the market price per share of our common stock exceeds the applicable strike price of the warrants of $42.91 per share.

As the hedge counterparties and their respective affiliates modify hedge positions, they may enter or unwind various derivatives with respect to our common stock and/or purchase or sell our common stock in secondary market transactions. This activity also could affect the market price of our common stock and/or debentures, which could

affect the ability of the holders of the debentures to convert and the number of shares and value of the consideration that will be received by the holders of the debentures upon conversion.

The conditional conversion features of the outstanding debentures, if triggered, may adversely affect our financial condition and operating results.

Our outstanding debentures have conditional conversion features. In the event the conditional conversion features of the debentures are triggered, holders of such debentures will be entitled to convert the debentures at any time during specified periods at their option. If one or more holders elect to convert their debentures, we would be required to settle any converted principal through the payment of cash, which could adversely affect our liquidity. Even if holders do not elect to convert their debentures, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the debentures as a current rather than long-term liability, which would result in a material reduction of our net working capital. In addition, we could be required to increase the number of shares used in our per share calculations to reflect the potentially dilutive impact of the conversion.

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Acquisitions and strategic investments present risks, and we may not realize the goals that were contemplated at the time of a transaction.

We recently acquired technology companies whose products complement our products, and in the past we have made a number of strategic investments in other technology companies. We may make similar acquisitions and strategic investments in the future. Acquisitions and strategic investments present risks, including:

- our ongoing business may be disrupted and our management s attention may be diverted by investment, acquisition, transition or integration activities;
- an acquisition or strategic investment may not further our business strategy as we expected, and we may not integrate an acquired company or technology as successfully as we expected;
- our operating results or financial condition may be adversely impacted by claims or liabilities that we assume from an acquired company or technology or that are otherwise related to an acquisition;
- we may have difficulty incorporating acquired technologies or products with our existing product lines;
- we may have higher than anticipated costs in continuing support and development of acquired products, in general and administrative functions that support such products;
- our strategic investments may not perform as expected; and
- we may experience unexpected changes in how we are required to account for our acquisitions and strategic investments pursuant to U.S. generally accepted accounting principles.

The occurrence of any of these risks could have a material adverse effect on our business, results of operations, financial condition or cash flows, particularly in the case of a larger acquisition or several concurrent acquisitions or strategic investments.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our corporate offices, which include the administrative, sales, customer support, marketing, R&D and manufacturing and testing groups, are located in San Jose, California. This main site consists of adjacent buildings providing 588,000 square feet of space, which we own. Excess space in this facility is leased to tenants under multi-year lease agreements. We also own two parcels of land totaling approximately 121 acres in South San Jose near our corporate facility. At present, we do not have any plans to develop the land.

We own a 228,000 square foot facility in the metropolitan area of Dublin, Ireland, which serves as our regional headquarters in Europe. The Irish facility is primarily used for service and support for our customers in Europe, R&D, marketing and IT support.

We own a 222,000 square foot facility in Singapore, which serves as our Asia Pacific regional headquarters. We own the building but the land is subject to a 30-year lease expiring in November 2035. The Singapore facility is primarily used for manufacturing and testing of our products, service and support for our customers in Asia Pacific/Japan, coordination and management of certain third parties in our supply chain and R&D. Excess space in the facility is leased to tenants under long-term lease agreements.

We own a 130,000 square foot facility in Longmont, Colorado. The Longmont facility serves as the primary location for our software efforts in the areas of R&D, manufacturing and quality control. In addition, we own a 200,000 square foot facility and 40 acres of land adjacent to the Longmont facility for future expansion. The facility is partially leased to tenants under long-term lease agreements and partially used by us.

We own a 45,000 square foot facility in Albuquerque, New Mexico, which serves as the primary facility for the development efforts of our CoolRunner CPLD as well as IP.

We lease office facilities for our engineering design centers in Portland, Oregon; Grenoble, France; Edinburgh, Scotland; Hyderabad, India; Toronto, Canada; Beijing, China and Belfast, Northern Ireland. We also lease sales offices in various locations throughout North America, which include the metropolitan areas of Chicago, Dallas, Los Angeles, Nashua, Ottawa, Raleigh, San Diego and Toronto as well as international sales offices located in the metropolitan areas of Beijing, Brussels, Helsinki, Hong Kong, London, Milan, Munich, Osaka, Paris, Seoul, Shanghai, Shenzhen, Stockholm, Taipei, Tel Aviv and Tokyo.

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ITEM 3. LEGAL PROCEEDINGS

Patent Litigation

On December 28, 2007, a patent infringement lawsuit was filed by PACT XPP Technologies, AG (PACT) against us in the U.S. District Court for the Eastern District of Texas, Marshall Division (PACT XPP Technologies, AG. v. Xilinx, Inc. and Avnet, Inc. Case No. 2:07-CV-563). The lawsuit pertains to eleven different patents and PACT seeks injunctive relief, unspecified damages, interest and attorneys fees. Neither the likelihood, nor the amount of any potential exposure to us is estimable at this time.

On July 30, 2010, a patent infringement lawsuit was filed by Intellitech Corporation (Intellitech) against us in the U.S. District Court for the District of Delaware (Intellitech Corporation v. Altera Corporation, Xilinx, Inc. and Lattice Semiconductor Corporation Case No. 1:10-CV-00645-UNA). The lawsuit pertains to a single patent and Intellitech seeks declaratory and injunctive relief, unspecified damages, interest and attorneys fees. Neither the likelihood, nor the amount of any potential exposure to us is estimable at this time.

On February 15, 2011, we filed a lawsuit against Intellitech in the U.S. District Court for the Northern District of California (Xilinx, Inc. v. Intellitech Corporation, Case No. CV11-0699). The lawsuit pertains to seven patents and a single trademark and we seek declaratory and injunctive relief, unspecified damages, costs and attorneys fees.

On December 6, 2010, a patent infringement lawsuit was filed by Bala Delay Line, Inc. (Bala Delay) against us in the U.S. District Court for the Eastern District of Texas, Texarkana Division (Bala Delay Line, Inc V. Xilinx, Inc., Case No. 5:10-CV-211) (Bala Delay I), and on January 31, 2011, Bala Delay filed another patent infringement lawsuit against us in the U.S. District Court for the Eastern District of Texas, Sherman Division (Bala Delay Line, Inc v. Xilinx, Inc. and Bonser-Philhower Sales, Inc., Case No. 4:11-CV-46) (Balay Delay II). Both lawsuits pertained to the same single patent and in each case Bala Delay sought declaratory and injunctive relief, unspecified damages, interest and attorneys fees. We have successfully resolved both lawsuits. Bala Delay I was dismissed by the Court without prejudice on March 7, 2011 and Bala Delay II was dismissed by the Court without prejudice on March 18, 2011. In both cases, Bala Delay stipulated that it has no present intent to initiate litigation against any Xilinx product based on the patent, and subsequent litigation would be brought in the U.S. District Court for the Northern District of California. No settlement was reached and no payment was made by us to Bala Delay in connection with either dismissal.

On February 14, 2011, we filed a complaint for declaratory judgment against Intellectual Ventures Management LLC and related entities (Intellectual Ventures) in the U.S. District Court for the Northern District of California (Xilinx, Inc. v. Invention Investment Fund I LP, Invention Investment Fund II LLC, Intellectual Ventures LLC, Intellectual Ventures Management LLC, Intellectual Ventures I LLC and Intellectual Ventures II LLC, Case No. CV11-0671). The lawsuit pertains to sixteen patents and seeks judgments of non-infringement by Xilinx and judgments that the patents are invalid and unenforceable, as well as costs and attorneys fees.

On February 15, 2011, Intellectual Ventures added us as a defendant in its complaint for patent infringement previously filed against Altera, Microsemi and Lattice in the U.S. District Court for the District of Delaware (Intellectual Ventures I LLC and Intellectual Ventures II LLC v. Altera Corporation, Microsemi Corporation, Lattice Semiconductor Corporation and Xilinx, Inc., Case No. 10-CV-1065). The lawsuit pertains to five patents, four of which we are alleged to be infringing, and Intellectual Ventures seeks unspecified damages, interest and attorneys fees. Neither the likelihood, nor the amount of any potential exposure to us is estimable at this time.

We intend to continue to protect and defend our IP vigorously.

Other Matters

From time to time, we are involved in various disputes and litigation matters that arise in the ordinary course of our business. These include disputes and lawsuits related to intellectual property, mergers and acquisitions, licensing, contract law, tax, regulatory, distribution arrangements, employee relations and other matters. Periodically, we review the status of each matter and assess its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and a range of possible losses can be estimated, we accrue a liability for the estimated loss. Legal proceedings are subject to uncertainties, and the outcomes are difficult to predict. Because of such uncertainties, accruals are based only on the best information available at the time. As additional information becomes available, we continue to reassess the potential liability related to pending claims and litigation and may

revise estimates.

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PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock trades on the NASDAQ Global Select Market under the symbol XLNX. As of May 6, 2011, there were approximately 695 stockholders of record. Since many holders shares are listed under their brokerage firms names, the actual number of stockholders is estimated by us to be over 89,000.

The following table sets forth the high and low closing sale prices, for the periods indicated, for our common stock as reported by the NASDAQ Global Select Market:

	Fiscal 2011		Fiscal 2010	
	High	Low	High	Low
First Quarter	$ 27.73	$ 23.68	$ 21.85	$ 18.38
Second Quarter	29.28	24.14	23.83	19.15
Third Quarter	29.06	25.17	25.36	21.55
Fourth Quarter	35.11	29.42	27.32	23.28

Dividends Declared Per Common Share

The following table presents the quarterly dividends declared on our common stock for the periods indicated:

	Fiscal 2011	Fiscal 2010
First Quarter	$ 0.16	$ 0.14
Second Quarter	0.16	0.14
Third Quarter	0.16	0.16
Fourth Quarter	0.16	0.16

On March 10, 2011, our Board of Directors declared a cash dividend of $0.19 per common share for the first quarter of fiscal 2012. The dividend is payable on June 8, 2011 to stockholders of record on May 18, 2011.

Issuer Purchases of Equity Securities

We did not repurchase any of our common stock during the fourth quarter of fiscal 2011. See Note 15. Stockholders Equity to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data for information regarding our stock repurchase plans.

In June 2010, the Board authorized the repurchase of up to $500.0 million of common stock (2010 Repurchase Program). The 2010 Repurchase Program has no stated expiration date. Through April 2, 2011, we had used $93.2 million authorized under the 2010 Repurchase Program, leaving $406.8 million available for future purchases under the 2010 Repurchase Program.

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Company Stock Price Performance

The following graph shows a comparison of cumulative total return for our common stock, the Standard & Poor s 500 Stock Index (S&P 500 Index), and the Standard & Poor s 500 Semiconductors Index (S&P 500 Semiconductors Index). The graph covers the period from March 31, 2006, the last trading day before our 2006 fiscal year, to April 1, 2011, the last trading day of our 2011 fiscal year. The graph and table assume that $100 was invested on April 1, 2005 in our common stock, the S&P 500 Index and the S&P 500 Semiconductors Index and that all dividends were reinvested.

Company / Index	3/31/06	3/30/07	3/28/08	3/27/09	4/1/10	4/1/11
Xilinx, Inc.	100.00	102.54	93.82	81.39	110.26	141.21
S&P 500 Index	100.00	111.83	105.55	67.20	99.14	114.37
S&P 500 Semiconductors Index	100.00	92.33	86.43	63.96	97.54	106.00

Note: Stock price performance and indexed returns for our Common Stock are historical and are not indicators of future price performance or future investment returns.

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ITEM 6. SELECTED FINANCIAL DATA

Consolidated Statement of Income Data

Five years ended April 2, 2011

(In thousands, except per share amounts)

	2011 (1)	2010 (2)	2009 (3)	2008 (4)	2007 (5)
Net revenues	$ 2,369,445	$ 1,833,554	$ 1,825,184	$ 1,841,372	$ 1,842,739
Operating income	795,399	432,149	429,518	424,194	347,767
Income before income taxes	771,080	421,765	458,026	469,489	431,146
Provision for income taxes	129,205	64,281	96,307	100,174	80,474
Net income	641,875	357,484	361,719	369,315	350,672
Net income per common share:					
Basic	$ 2.43	$ 1.30	$ 1.31	$ 1.25	$ 1.04
Diluted	$ 2.39	$ 1.29	$ 1.31	$ 1.24	$ 1.02
Shares used in per share calculations:					
Basic	264,094	276,012	276,113	295,050	337,920
Diluted	268,061	276,953	276,854	298,636	343,636
Cash dividends declared per common share	$ 0.64	$ 0.60	$ 0.56	$ 0.48	$ 0.36

(1) Fiscal 2011 consolidated statement of income data included restructuring charges of $10,346 and impairment loss on investments of $5,904.

(2) Fiscal 2010 consolidated statement of income data included restructuring charges of $30,064 and impairment loss on investments of $3,805.

(3) Fiscal 2009 consolidated statement of income data included restructuring charges of $22,023, a gain on early extinguishment of convertible debentures of $75,035, impairment loss on investments of $54,129 and a charge of $3,086 related to an impairment of a leased facility that we did not occupy.

(4) Fiscal 2008 consolidated statement of income data included a loss on the sale of our remaining UMC investment of $4,731, an impairment loss on investments of $2,850 and a charge of $1,614 related to an impairment of a leased facility that we did not occupy.

(5) Fiscal 2007 consolidated statement of income data included a charge of $5,934 related to an impairment of a leased facility that we did not occupy, a charge related to a litigation settlement of $2,500, stock-based compensation related to prior years of $2,209, an impairment loss on investments of $1,950 and a gain of $7,016 from the sale of a portion of our UMC investment.

Consolidated Balance Sheet Data

Five years ended April 2, 2011

(In thousands)

	2011	2010	2009	2008	2007
Working capital	$ 2,254,646	$ 1,549,905	$ 1,519,402	$ 1,479,530	$ 1,396,733
Total assets	4,140,850	3,184,318	2,811,901	3,099,218	3,143,855
Convertible debentures	890,980	354,798	352,110	504,461	499,318
Other long-term liabilities	467,113	351,889	277,965	284,892	266,302

Stockholders equity	2,414,617	2,120,470	1,948,760	1,969,197	2,074,846

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ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis of financial condition and results of operations should be read in conjunction with our consolidated financial statements and accompanying notes included in Item 8. Financial Statements and Supplementary Data.

Cautionary Statement

The statements in this Management s Discussion and Analysis that are forward-looking, within the meaning of the Private Securities Litigation Reform Act of 1995, involve numerous risks and uncertainties and are based on current expectations. The reader should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including those risks discussed under Risk Factors and elsewhere in this document. Often, forward-looking statements can be identified by the use of forward-looking words, such as may, will, could, should, expect, believe, anticipate, estimate, continue, plan, intend, project and other similar terminology, or the negative of such terms. We disclaim any responsibility to update or revise any forward-looking statement provided in this Management s Discussion and Analysis for any reason.

Nature of Operations

We design, develop and market programmable platforms, including advanced ICs in the form of PLDs, software design tools and predefined system functions delivered as IP. In addition to our programmable platforms, we provide design services, customer training, field engineering and technical support. Our PLDs include FPGAs, CPLDs and EPPs. These devices are standard products that our customers program to perform desired logic functions. Our products are designed to provide high integration and quick time-to-market for electronic equipment manufacturers in end markets such as wired and wireless communications, industrial, scientific and medical, aerospace and defense, audio, video and broadcast, consumer, automotive and data processing. We sell our products globally through independent domestic and foreign distributors and through direct sales to OEMs by a network of independent sales representative firms and by a direct sales management organization.

Critical Accounting Policies and Estimates

The methods, estimates and judgments we use in applying our most critical accounting policies have a significant impact on the results we report in our consolidated financial statements. The SEC has defined critical accounting policies as those that are most important to the portrayal of our financial condition and results of operations and require us to make our most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on this definition, our critical accounting policies include: valuation of marketable and non-marketable securities, which impacts losses on debt and equity securities when we record impairments; revenue recognition, which impacts the recording of revenues; and valuation of inventories, which impacts cost of revenues and gross margin. Our critical accounting policies also include: the assessment of impairment of long-lived assets including acquisition-related intangibles, which impacts their valuation; the assessment of the recoverability of goodwill, which impacts goodwill impairment; accounting for income taxes, which impacts the provision or benefit recognized for income taxes, as well as the valuation of deferred tax assets recorded on our consolidated balance sheet; and valuation and recognition of stock-based compensation, which impacts gross margin, research and development (R&D) expenses, and selling, general and administrative (SG&A) expenses. Below, we discuss these policies further, as well as the estimates and judgments involved. We also have other key accounting policies that are not as subjective, and therefore, their application would not require us to make estimates or judgments that are as difficult, but which nevertheless could significantly affect our financial reporting.

Valuation of Marketable and Non-marketable Securities

Our short-term and long-term investments include marketable debt securities and non-marketable equity securities. As of April 2, 2011, we had marketable debt securities with a fair value of $2.33 billion and non-marketable equity securities in private companies of $11.4 million (adjusted cost, which approximates fair value).

We determine the fair values for marketable debt and equity securities using industry standard pricing services, data providers and other third-party sources and by internally performing valuation analyses. See Note 3. Fair Value Measurements to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary

Data, for details of the valuation methodologies. In determining if and when a decline in value below adjusted cost of marketable debt and equity securities is other than temporary, we evaluate on an ongoing basis the market conditions, trends of earnings, financial condition, credit ratings, any underlying collateral and other key measures for our investments. We recorded an other-than-temporary impairment for marketable debt securities and a marketable equity security in fiscal 2009. We did not record any other-than-temporary impairment for marketable debt or equity securities in fiscal 2011 or 2010.

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Our investments in non-marketable securities of private companies are accounted for by using the cost method. These investments are measured at fair value on a non-recurring basis when they are deemed to be other-than-temporarily impaired. In determining whether a decline in value of non-marketable equity investments in private companies has occurred and is other than temporary, an assessment is made by considering available evidence, including the general market conditions in the investee s industry, the investee s product development status and subsequent rounds of financing and the related valuation and/or our participation in such financings. We also assess the investee s ability to meet business milestones and the financial condition and near-term prospects of the individual investee, including the rate at which the investee is using its cash, the investee s need for possible additional funding at a lower valuation and any bona fide offer to purchase the investee from a prospective acquirer. The valuation methodology for determining the fair value of non-marketable equity securities is based on the factors noted above which require management judgment and are Level 3 inputs. See Note 3. Fair Value Measurements to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data, for additional information. When a decline in value is deemed to be other than temporary, we recognize an impairment loss in the current period s operating results to the extent of the decline. We recorded other-than-temporary impairments for non-marketable equity securities in fiscal 2011, 2010 and 2009 of $5.9 million, $3.8 million and $3.0 million, respectively.

Revenue Recognition

Sales to distributors are made under agreements providing distributor price adjustments and rights of return under certain circumstances. Revenue and costs relating to distributor sales are deferred until products are sold by the distributors to the distributors end customers. For fiscal 2011, approximately 63% of our net revenues were from products sold to distributors for subsequent resale to OEMs or their subcontract manufacturers. Revenue recognition depends on notification from the distributor that product has been sold to the distributor s end customer. Also reported by the distributor are product resale price, quantity and end customer shipment information, as well as inventory on hand. Reported distributor inventory on hand is reconciled to deferred revenue balances monthly. We maintain system controls to validate distributor data and to verify that the reported information is accurate. Deferred income on shipments to distributors reflects the effects of distributor price adjustments and the amount of gross margin expected to be realized when distributors sell through product purchased from us. Accounts receivable from distributors are recognized and inventory is relieved when title to inventories transfers, typically upon shipment from Xilinx at which point we have a legally enforceable right to collection under normal payment terms.

As of April 2, 2011, we had $134.0 million of deferred revenue and $34.2 million of deferred cost of revenues recognized as a net $99.8 million of deferred income on shipments to distributors. As of April 3, 2010, we had $110.4 million of deferred revenue and $30.3 million of deferred cost of revenues recognized as a net $80.1 million of deferred income on shipments to distributors. The deferred income on shipments to distributors that will ultimately be recognized in our consolidated statement of income will be different than the amount shown on the consolidated balance sheet due to actual price adjustments issued to the distributors when the product is sold to their end customers.

Revenue from sales to our direct customers is recognized upon shipment provided that persuasive evidence of a sales arrangement exists, the price is fixed, title has transferred, collection of resulting receivables is reasonably assured, and there are no customer acceptance requirements and no remaining significant obligations. For each of the periods presented, there were no significant formal acceptance provisions with our direct customers.

Revenue from software licenses is deferred and recognized as revenue over the term of the licenses of one year. Revenue from support services is recognized when the service is performed. Revenue from Support Products, which includes software and services sales, was less than 6% of net revenues for all of the periods presented.

Allowances for end customer sales returns are recorded based on historical experience and for known pending customer returns or allowances.

Valuation of Inventories

Inventories are stated at the lower of actual cost (determined using the first-in, first-out method) or market (estimated net realizable value). The valuation of inventory requires us to estimate excess or obsolete inventory as well as inventory that is not of saleable quality. We review and set standard costs quarterly to approximate current actual manufacturing costs. Our manufacturing overhead standards for product costs are calculated assuming full absorption of actual spending over actual volumes, adjusted for excess capacity. Given the cyclicality of the market, the

obsolescence of technology and product lifecycles, we write down inventory based on forecasted demand and technological obsolescence. These factors are impacted by market and economic conditions, technology changes, new product introductions and changes in strategic direction and require estimates that may include uncertain elements. The estimates of future demand that we use in the valuation of inventory are the basis for our published revenue forecasts, which are also consistent with our short-term manufacturing plans. If our demand forecast for specific products is greater than actual demand and we fail to reduce manufacturing output accordingly, we could be required to write down additional inventory, which would have a negative impact on our gross margin.

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Impairment of Long-Lived Assets Including Acquisition-Related Intangibles

Long-lived assets and certain identifiable intangible assets to be held and used are reviewed for impairment if indicators of potential impairment exist. Impairment indicators are reviewed on a quarterly basis. When indicators of impairment exist and assets are held for use, we estimate future undiscounted cash flows attributable to the assets. In the event such cash flows are not expected to be sufficient to recover the recorded value of the assets, the assets are written down to their estimated fair values based on the expected discounted future cash flows attributable to the assets or based on appraisals. Factors affecting impairment of assets held for use include the ability of the specific assets to generate separately identifiable positive cash flows.

When assets are removed from operations and held for sale, we estimate impairment losses as the excess of the carrying value of the assets over their fair value. Factors affecting impairment of assets held for sale include market conditions. Changes in any of these factors could necessitate impairment recognition in future periods for assets held for use or assets held for sale.

Long-lived assets such as acquisition-related intangible assets and property, plant and equipment, are considered non-financial assets, and are only measured at fair value when indicators of impairment exist. The accounting and disclosure guidance for fair value measurements established by the Financial Accounting Standards Board (FASB) became effective for these assets beginning in the first quarter of fiscal 2010. See Note 3. Fair Value Measurements to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data, for additional information.

Goodwill

As required by the authoritative guidance for goodwill established by the FASB, goodwill is not amortized but is subject to impairment tests on an annual basis, or more frequently if indicators of potential impairment exist, and goodwill is written down when it is determined to be impaired. We perform an annual impairment review in the fourth quarter of each fiscal year and compare the fair value of the reporting unit in which the goodwill resides to its carrying value. If the carrying value exceeds the fair value, the goodwill of the reporting unit is potentially impaired. For purposes of impairment testing, Xilinx operates as a single reporting unit. We use the quoted market price method to determine the fair value of the reporting unit. Based on the impairment review performed during the fourth quarter of fiscal 2011, there was no impairment of goodwill in fiscal 2011. Unless there are indicators of impairment, our next impairment review for goodwill will be performed and completed in the fourth quarter of fiscal 2012. To date, no impairment indicators have been identified.

Accounting for Income Taxes

Xilinx is a multinational corporation operating in multiple tax jurisdictions. We must determine the allocation of income to each of these jurisdictions based on estimates and assumptions and apply the appropriate tax rates for these jurisdictions. We undergo routine audits by taxing authorities regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. Tax audits often require an extended period of time to resolve and may result in income tax adjustments if changes to the allocation are required between jurisdictions with different tax rates.

In determining income for financial statement purposes, we must make certain estimates and judgments. These estimates and judgments occur in the calculation of certain tax liabilities and in the determination of the recoverability of certain deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenue and expense. Additionally, we must estimate the amount and likelihood of potential losses arising from audits or deficiency notices issued by taxing authorities. The taxing authorities positions and our assessment can change over time resulting in a material effect on the provision for income taxes in periods when these changes occur.

We must also assess the likelihood that we will be able to recover our deferred tax assets. If recovery is not likely, we must increase our provision for taxes by recording a reserve in the form of a valuation allowance for the deferred tax assets that we estimate will not ultimately be recoverable.

We perform a two-step approach to recognize and measure uncertain tax positions relating to accounting for income taxes. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related

appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being ultimately realized. See Note 16. Income Taxes to our consolidated financial statements included in Item 8. Financial Statements and Supplementary Data.

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Stock-Based Compensation

Determining the appropriate fair-value model and calculating the fair value of stock-based awards at the date of grant requires judgment. We use the Black-Scholes option-pricing model to estimate the fair value of employee stock options and rights to purchase shares under our Employee Stock Purchase Plan. Option pricing models, including the Black-Scholes model, also require the use of input assumptions, including expected stock price volatility, expected life, expected dividend rate, expected forfeiture rate and expected risk-free rate of return. We use implied volatility based on traded options in the open market as we believe implied volatility is more reflective of market conditions and a better indicator of expected volatility than historical volatility. In determining the appropriateness of implied volatility, we considered: the volume of market activity of traded options, and determined there was sufficient market activity; the ability to reasonably match the input variables of traded options to those of options granted by us, such as date of grant and the exercise price, and determined the input assumptions were comparable; and the length of term of traded options used to derive implied volatility, which is generally one to two years and which was extrapolated to match the expected term of the employee options granted by us, and determined the length of the option term was reasonable. The expected life of options granted is based on the historical exercise activity as well as the expected disposition of all options outstanding. We will continue to review our input assumptions and make changes as deemed appropriate depending on new information that becomes available. Higher volatility and expected lives result in a proportional increase to stock-based compensation determined at the date of grant. The expected dividend rate and expected risk-free rate of return do not have as significant an effect on the calculation of fair value.

In addition, we developed an estimate of the number of stock-based awards which will be forfeited due to employee turnover. Quarterly changes in the estimated forfeiture rate have an effect on reported stock-based compensation, as the effect of adjusting the rate for all expense amortization after April 1, 2006 is recognized in the period the forfeiture estimate is changed. If the actual forfeiture rate is higher than the estimated forfeiture rate, then an adjustment is made to increase the estimated forfeiture rate, which will result in a decrease to the expense recognized in the financial statements. If the actual forfeiture rate is lower than the estimated forfeiture rate, then an adjustment is made to decrease the estimated forfeiture rate, which will result in an increase to the expense recognized in the financial statements. The impact of forfeiture true up and forfeiture rate estimates in fiscal 2011, 2010 and 2009 reduced stock-based compensation expense by $14.1 million, $16.7 million and $15.8 million, respectively. The expense we recognize in future periods could also differ significantly from the current period and/or our forecasts due to adjustments in the assumed forfeiture rates.

Results of Operations

The following table sets forth statement of income data as a percentage of net revenues for the fiscal years indicated:

	2011	2010	2009
Net revenues	**100.0%**	**100.0%**	**100.0%**
Cost of revenues	34.6	36.6	36.7
Gross margin	**65.4**	**63.4**	**63.3**
Operating expenses:			
Research and development	16.6	20.2	19.5
Selling, general and administrative	14.8	17.9	18.8
Amortization of acquisition-related intangibles		0.1	0.3
Restructuring charges	0.4	1.6	1.2
Total operating expenses	31.8	39.8	39.8
Operating income	**33.6**	**23.6**	**23.5**
Gain on early extinguishment of convertible debentures			4.1
Impairment loss on investments	(0.2)	(0.2)	(3.0)

Interest and other income (expense), net	(0.8)	(0.4)	0.5
Income before income taxes	**32.6**	**23.0**	**25.1**
Provision for income taxes	5.5	3.5	5.3
Net income	**27.1**%	**19.5**%	**19.8**%

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Net Revenues

(In millions)	2011	Change	2010	Change	2009
Net revenues	$ 2,369.4	29%	$ 1,833.6	0%	$ 1,825.2

Net revenues in fiscal 2011 increased 29% to $2.37 billion, up from $1.83 billion in fiscal 2010. The significant year-over-year increase was driven by strong New Product growth and broad based strength across all of our end markets and geographies. Total unit sales increased in fiscal 2011 versus the comparable prior year period. The average selling price per unit also increased during the same time period. Net revenues in fiscal 2010 were essentially flat with fiscal 2009 as the first half of fiscal 2010 revenues was adversely impacted by economic conditions and was substantially lower than revenues in the prior year period, while the second half was substantially higher than revenues in the prior year period. New Product revenues increased considerably in fiscal 2010 from the comparable prior year period but were offset by declines in Mainstream, Base and Support Products. In fiscal 2010, total unit sales declined and the average selling price per unit increased versus the comparable prior year period. See Net Revenues by Product and Net Revenues by End Markets below for more information on our product and end-market categories. No end customer accounted for more than 10% of net revenues for any of the periods presented.

Net Revenues by Product

We sell our products to global manufacturers of electronic products in end markets such as wired and wireless communications, aerospace and defense, industrial, scientific and medical and audio, video and broadcast. The vast majority of our net revenues are generated by sales of our semiconductor products, but we also generate sales from support products. We classify our product offerings into four categories: New, Mainstream, Base and Support Products. The composition of each product category is as follows:

New Products include our most recent product offerings and include the Virtex®-6, Virtex-5, Spartan®-6, Spartan-3A and Spartan-3E product families.

Mainstream Products include the Virtex-4, Spartan-3, Spartan-II and CoolRunner -II product families.

Base Products consist of our older product families including the Virtex, Virtex-E, Virtex-II, Spartan, XC4000, CoolRunner and XC9500 products.

Support Products include configuration products (PROMs), software, IP, customer training, design services and support.

These product categories, except for Support Products, are modified on a periodic basis to better reflect the age of the products and advances in technology. The most recent modification was made on March 29, 2009, which was the beginning of our fiscal 2010. Amounts for the prior periods presented have been reclassified to conform to the new categorization. New Products include our most recent product offerings and are typically designed into our customers latest generation of electronic systems. Mainstream Products are generally several years old and designed into customer programs that are currently shipping in full production. Base Products are older than Mainstream Products with demand generated generally by the customers oldest systems still in production. Support Products are generally products or services sold in conjunction with our semiconductor devices to aid customers in the design process.

Net revenues by product categories for the fiscal years indicated were as follows:

(In millions)	2011	% of Total	% Change	2010	% of Total	% Change	2009	% of Total
New Products	$ 1,020.6	43	76	$ 580.0	32	78	$ 325.9	18
Mainstream Products	652.3	28	8	604.6	33	(9)	666.1	37
Base Products	589.4	25	5	559.1	30	(24)	735.2	40
Support Products	107.1	4	19	89.9	5	(8)	98.0	5
Total net revenues	$ 2,369.4	100	29	$ 1,833.6	100	0	$ 1,825.2	100

Net revenues from New Products increased significantly in fiscal 2011 as a result of continued strong market acceptance of these products, particularly for our 65-nanometer (nm) Virtex-5, 40-nm Virtex-6 and 45-nm Spartan-6

product families. We expect sales of New Products to continue to increase over time as more customer programs enter volume production with our 40/45-nm products. In fiscal 2010, Virtex-5 contributed to the majority of the revenue growth versus the comparable prior year period.

Net revenues from Mainstream Products increased in fiscal 2011 primarily due to increased sales of our Virtex-4 product family. Net revenues from Mainstream Products declined in fiscal 2010 due to lower demand associated with the weakened economic conditions during the first half of the fiscal year.

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Net revenues from Base Products increased in fiscal 2011 from the comparable prior year period primarily due to last time buying activities for some of our oldest products. The decline in net revenues from Base Products in fiscal 2010, as compared to the prior year period, was due to lower sales from some of our oldest products and was expected since these products are mature and approaching the end of life.

Net revenues from Support Products increased in fiscal 2011 from the comparable prior year period primarily due to higher sales in our PROM products. Net revenues from Support Products decreased in fiscal 2010 from the comparable prior year period due to a decline in revenues from both our PROMs and software products.

Net Revenues by End Markets

Our end market revenue data is derived from our understanding of our end customers primary markets. We classify our net revenues by end markets into four categories: Communications, Industrial and Other, Consumer and Automotive, and Data Processing. The percentage change calculation in the table below represents the year-to-year dollar change in each end market.

Net revenues by end markets for the fiscal years indicated were as follows:

(% of total net revenues)	2011	% Change in Dollars	2010	% Change in Dollars	2009
Communications	47%	29	47%	7	44%
Industrial and Other	32	34	31	(4)	32
Consumer and Automotive	15	29	15	(7)	16
Data Processing	6	13	7	(4)	8
Total net revenues	100%	29	100%	0	100%

In fiscal 2011, sales from each of our end markets increased double digits versus the comparable prior year period.

Net revenues from Communications, our largest end market, increased from the comparable prior year period due to higher sales from both wired and wireless communication applications. In fiscal 2010, higher sales from wireless communication applications drove the increase in net revenues versus the comparable prior year period.

Net revenues from the Industrial and Other end market increased in fiscal 2011 from the comparable prior year period primarily due to higher sales in industrial, scientific and medical as well as test and measurement applications. In fiscal 2010, the decrease in net revenues from the comparable prior year period was primarily driven by weaker sales in industrial, scientific and medical applications as well as test and measurement applications during the first half of the fiscal year.

Net revenues from the Consumer and Automotive end market increased in fiscal 2011 from the comparable prior year period primarily due to higher sales in audio, video and broadcast applications. Net revenues from the Consumer and Automotive end market decreased in fiscal 2010 from the comparable prior year period primarily due to decreased sales in audio, video and broadcast and consumer applications.

In fiscal 2011, net revenues from the Data Processing end market increased from the comparable prior year period due to higher sales from computing, data processing and storage applications. In fiscal 2010, net revenues from the Data Processing end market declined from the comparable prior year period due to a decrease in sales from computing and data processing applications.

Net Revenues by Geography

Geographic revenue information reflects the geographic location of the distributors or OEMs who purchased our products. This may differ from the geographic location of the end customers. Net revenues by geography for the fiscal years indicated were as follows:

(In millions)	2011	% of Total	% Change	2010	% of Total	% Change	2009	% of Total
North America	$ 710.4	30	13	$ 628.5	34	0	$ 627.7	34
Asia Pacific	843.9	36	30	649.1	35	8	603.0	33

Europe	615.3	26	56	395.1	22	(4)	411.6	23
Japan	199.8	8	24	160.9	9	(12)	182.9	10
Total net revenues	$ 2,369.4	100	29	$ 1,833.6	100	0	$ 1,825.2	100

In fiscal 2011, sales from each of our geographies increased double digits versus the comparable prior year period.

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North America net revenues increased in fiscal 2011 from the comparable prior year period due to broad-based strength across all end markets, with particular strength coming from the Industrial and Other end market. Net revenues in North America were essentially flat in fiscal 2010 compared with the prior year period, as lower sales from the Consumer and Automotive end market offset strength in each of the other end markets including Communications, Industrial and Other and Data Processing.

Net revenues in Asia Pacific increased in fiscal 2011 from the comparable prior year period primarily due to higher sales in the Communications end market with increases in sales from both wired and wireless communications applications. The increase in fiscal 2010, as compared to the prior year period, was primarily driven by strength in the Communications end market, which experienced strong sales growth associated with the deployment of next generation wireless applications in China.

Net revenues in Europe increased in fiscal 2011 from the comparable prior year period driven by broad-based strength across all end market segments and all sub segments with particular strength coming from the Communications end market primarily due to higher sales from wireless communications applications. Net revenues in Europe decreased in fiscal 2010, as compared to the prior year period, due to weaker sales in most end market applications with the exception of wireless communication and automotive applications.

The fiscal 2011 increase in net revenues in Japan was primarily driven by higher sales in the Industrial and Other and Consumer end market segments. Net revenues in Japan decreased in fiscal 2010 due to broad-based weakness across all end market categories.

Gross Margin

(In millions)	2011	Change	2010	Change	2009
Gross margin	$ 1,549.9	33%	$ 1,161.8	1%	$ 1,156.0
Percentage of net revenues	65.4%		63.4%		63.3%

The increase in the gross margin percentage in fiscal 2011 from the comparable prior year period was driven primarily by a broad improvement in product costs and higher revenue. This improvement was partly offset by the growth of New Products. New Products generally have lower gross margins than Mainstream and Base Products as they are in the early stage of their product life cycle and have higher unit costs associated with relatively lower volumes and early manufacturing maturity.

Gross margin percentage in fiscal 2010 was essentially flat from the comparable prior year period as cost savings related to yield improvement and overall restructuring effort were offset by the strength of New Products.

Gross margin may be affected in the future by product mix shifts, competitive-pricing pressure, manufacturing-yield issues and wafer pricing. We expect to mitigate any adverse impacts from these factors by continuing to improve yields on our New Products and by improving manufacturing efficiencies.

Sales of inventory previously written off were not material during fiscal 2011, 2010 or 2009.

In order to compete effectively, we pass manufacturing cost reductions on to our customers in the form of reduced prices to the extent that we can maintain acceptable margins. Price erosion is common in the semiconductor industry, as advances in both product architecture and manufacturing process technology permit continual reductions in unit cost. We have historically been able to offset much of this revenue decline in our mature products with increased revenues from newer products.

Research and Development

(In millions)	2011	Change	2010	Change	2009
Research and development	$ 392.5	6%	$ 369.5	4%	$ 355.4
Percentage of net revenues	17%		20%		19%

R&D spending increased $23.0 million or 6% during fiscal 2011 compared to the same period last year. The increase was mainly due to higher employee compensation related to variable spending, such as incentive compensation expenses associated with higher revenue and operating margin, and higher overall headcount.

R&D spending increased $14.1 million or 4% during fiscal 2010 compared to fiscal 2009. The increase was mainly due to increased mask and wafer spending in fiscal 2010 associated with the introduction of Virtex 6 and Spartan 6

product families.

We plan to continue to selectively invest in R&D efforts in areas such as new products and more advanced process development, IP and the development of new design and layout software. We will also consider acquisitions to complement our strategy for technology leadership and engineering resources in critical areas.

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Selling, General and Administrative

(In millions)	2011	Change	2010	Change	2009
Selling, general and administrative	$ 350.6	7%	$ 327.6	(5)%	$ 343.8
Percentage of net revenues	15%		18%		19%

SG&A expenses increased $23.0 million or 7% during fiscal 2011 compared to the same period last year. The increase was primarily due to higher variable spending associated with higher revenue and operating margin, particularly sales commissions and incentive compensation expenses, and higher legal expenses related to litigations and acquisitions.

SG&A expenses decreased $16.2 million or 5% during fiscal 2010 compared to the same period last year. The decrease was primarily due to headcount reduction as a result of restructuring measures taken during fiscal 2010, partially offset by higher litigation related costs.

Amortization of Acquisition-Related Intangibles

(In millions)	2011	Change	2010	Change	2009
Amortization of acquisition-related intangibles	$ 1.0	(60)%	$ 2.5	(53)%	$ 5.3

Amortization expense in fiscal 2011 was related to the intangible assets acquired in the fourth quarter of fiscal 2011. See Note 19. Business Combinations to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data. Amortization expense in fiscal 2010 and 2009 was related to the intangible assets from our prior acquisitions, which were fully amortized by the first quarter of fiscal 2010.

Restructuring Charges

During the third quarter of fiscal 2011, we announced restructuring measures designed to realign resources and drive overall operating efficiencies across the Company. These measures impacted 56 positions, or less than 2% of our global workforce, in various geographies and functions worldwide. The reorganization plan was completed by the end of the fourth quarter of fiscal 2011.

We recorded total restructuring charges of $10.3 million in fiscal 2011, primarily related to severance pay expenses.

We estimate that these measures will result in gross annual savings related to employee compensation of approximately $4.0 million before taxes. However, there can be no assurance that these expected savings will be completely realized in the future as they may be offset by increases in other expenses.

The following table summarizes the restructuring accrual activity for fiscal 2011:

(In millions)	Employee severance and benefits	Facility-related and other costs	Total
Balance as of April 3, 2010	$ 1.9	$ 0.1	$ 2.0
Restructuring charges	9.2	1.1	10.3
Cash payments	(5.8)	(0.3)	(6.1)
Non-cash settlements		(0.2)	(0.2)
Balance as of April 2, 2011	$ 5.3	$ 0.7	$ 6.0

The charges above, as well as the restructuring charges recorded in prior fiscal year (see below), have been shown separately as restructuring charges on the consolidated statements of income. The remaining accrual as of April 2, 2011 was primarily related to severance pay and benefits that are expected to be paid during the first quarter of fiscal 2012.

During the first quarter of fiscal 2010, we announced restructuring measures designed to drive structural operating efficiencies across the Company. We completed this restructuring plan at the end of the fourth quarter of fiscal 2010, and reduced our global workforce by approximately 200 net positions, or about 6%. These employee terminations

impacted various geographies and functions worldwide. We recorded total restructuring charges of $30.1 million in fiscal 2010, primarily related to severance pay expenses, which were paid in full as of April 2, 2011.

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Stock-Based Compensation

(In millions)	2011	Change	2010	Change	2009
Stock-based compensation included in:					
Cost of revenues	$ 4.8	(7)%	$ 5.2	(11)%	$ 5.8
Research and development	28.8	12%	25.8	3%	25.0
Selling, general and administrative	26.7	8%	24.6	7%	23.1
Restructuring charges		(100)%	0.9	68%	0.6
	$ 60.3	7%	$ 56.5	4%	$ 54.5

The $3.8 million increase in stock-based compensation expense for fiscal 2011 as compared to the same period last year was mainly due to higher weighted-average fair values of stock awards granted and lower forfeitures during the year. The $2.0 million increase in stock-based compensation expense for fiscal 2010 as compared to the same period last year was due to an increase in the number of shares granted, which was partly offset by declining weighted-average fair values of stock awards vesting and an increase in the number of shares cancelled due to the fiscal 2010 restructuring.

Gain on Early Extinguishment of Convertible Debentures

During fiscal 2009, we paid $193.2 million in cash to repurchase $310.4 million (principal amount) of our debentures and recognized a gain on early extinguishment of convertible debentures of $75.0 million, net of the write-off of the pro rata portions of unamortized debt discount and issuance costs of $41.5 million and unamortized derivative valuation of $736 thousand.

Impairment Loss on Investments

(In millions)	2011	Change	2010	Change	2009
Impairment loss on investments	$ 5.9	55%	$ 3.8	(93)%	$ 54.1
Percentage of net revenues	0%		0%		3%

We recorded an impairment loss on investments in non-marketable equity securities of $5.9 million and $3.8 million for fiscal 2011 and 2010, respectively, due to other-than-temporary decline in the estimated fair value of certain investees.

We recognized impairment losses on investments of $54.1 million during fiscal 2009, which consisted of $51.1 million related to marketable debt and equity securities and $3.0 million related to non-marketable equity securities. Of the $51.1 million impairment loss recognized during fiscal 2009, $38.0 million was related to senior class asset-backed securities where the issuer went into receivership and we concluded that it was not likely that we would recover the balance of our investment. This decline in fair value was deemed to be other than temporary and, therefore, we recognized an impairment loss of $38.0 million on these securities during fiscal 2009. We also recognized an additional impairment loss of $10.0 million on marketable debt securities, primarily due to the bankruptcy filing by one of the issuers of the marketable debt securities. Lastly, we recognized another $3.1 million of impairment loss in marketable equity securities investment during fiscal 2009 as a result of the continued decline in its market value, which led us to believe that the decline in the market value was other than temporary.

Interest and Other Income (Expense), Net

(In millions)	2011	Change	2010	Change	2009
Interest and other income (expense), net	$ (18.4)	179%	$ (6.6)	(187)%	$ 7.6
Percentage of net revenues	(1)%		(0)%		0%

The increase in interest and other expense, net in fiscal 2011 over the prior year was due primarily to the interest expense related to the 2.625% Debentures. Interest and other income (expense), net was a net expense of $6.6 million in fiscal 2010 compared to a net income of $7.6 million in fiscal 2009. Interest income in 2010 decreased over the prior year was due primarily to a decrease in interest rates earned on the investment portfolio. The average interest rate yield in fiscal 2010 on our investments decreased by over 2.5 percentage points as compared to fiscal 2009 period. See Note 12. Interest and Other Income (Expense), Net to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data.

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Provision for Income Taxes

(In millions)	2011	Change	2010	Change	2009
Provision for income taxes	$ 129.2	101%	$ 64.3	(33)%	$ 96.3
Percentage of net revenues	6%		4%		5%
Effective tax rate	17%		15%		21%

The effective tax rates in all years reflected the favorable impact of foreign income at statutory rates less than the U.S. rate and tax credits earned.

The increase in the effective tax rate in fiscal 2011, when compared with fiscal 2010, was due to a shift in the geographic mix of earnings subject to U.S. tax and to a reduction in the benefit of U.S. tax credits in proportion to U.S. earnings. The fiscal 2011 increase was partially offset by an increase in the amount of permanently reinvested foreign earnings for which no U.S. taxes were provided. In addition, the fiscal 2011 increase was partially offset by the retroactive extension of the federal research credit.

The decrease in the effective tax rate in fiscal 2010, when compared with fiscal 2009, was due to an increase in the amount permanently reinvested outside the U.S. in fiscal 2010 for which no U.S. taxes have been provided, thereby reducing the rates for the period, compounded by an increase in the fiscal 2009 rate for the gain on early extinguishment of debentures taxable at U.S. tax rates. The fiscal 2009 increase however was offset by a benefit from the retroactive extension of the research credit.

The Internal Revenue Service (IRS) audited and issued proposed adjustments to our tax returns for fiscal 1996 through 2001. We filed petitions with the Tax Court in response to assertions by the IRS relating to fiscal 1996 through 2000. All issues have been settled with the IRS as described below.

On August 30, 2005, the Tax Court issued its opinion concerning whether the value of stock options must be included in the cost sharing agreement with Xilinx Ireland. The Tax Court agreed with us that no amount for stock options was to be included in the cost sharing agreement, and entered its decision on May 31, 2006. On August 25, 2006, the IRS appealed the decision to the Ninth Circuit Court of Appeals (Appeals Court). On May 27, 2009, we received a 2-1 adverse judicial ruling from the Appeals Court reversing the Tax Court decision; this adverse ruling was later withdrawn on January 13, 2010 after oral arguments. On March 22, 2010, the Appeals Court affirmed the August 30, 2005 Tax Court decision in our favor. On June 21, 2010, the time for the IRS to appeal the March 22, 2010 decision to the United States Supreme Court lapsed. As a result, all issues concerning this matter are closed.

In a separate matter, on December 8, 2008, the IRS issued a statutory notice of deficiency reflecting proposed audit adjustments for fiscal 2005. We began negotiations with the IRS Appeals Division in the third quarter of fiscal 2010, and settled the remaining proposed adjustment in the fourth quarter of fiscal 2010 with no net change in tax liability. On September 20, 2010, pursuant to stipulations filed by us and the IRS, the Tax Court entered its final order closing all remaining fiscal 2005 issues. We received a small refund and, accordingly, all matters with the IRS relating to fiscal 2005 are resolved. See Note 16. Income Taxes and Note 18. Litigation Settlements and Contingencies to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data.

Financial Condition, Liquidity and Capital Resources

We have historically used a combination of cash flows from operations and equity and debt financing to support ongoing business activities, acquire or invest in critical or complementary technologies, purchase facilities and capital equipment, repurchase our common stock and debentures under our repurchase program, pay dividends and finance working capital. Additionally, our investments in debt securities are available for future sale.

Fiscal 2011 Compared to Fiscal 2010

Cash, Cash Equivalents and Short-term and Long-term Investments

The combination of cash, cash equivalents and short-term and long-term investments as of April 2, 2011 and April 3, 2010 totaled $2.69 billion and $1.97 billion, respectively. As of April 2, 2011, we had cash, cash equivalents and short-term investments of $1.93 billion and working capital of $2.25 billion. Cash provided by operations of $724.2 million for fiscal 2011 was $169.9 million higher than the $554.3 million generated during fiscal 2010. Cash provided by operations during fiscal 2011 resulted primarily from net income as adjusted for non-cash related items and deferred income on shipment to distributors, which were partially offset by increases in inventories, accounts

receivable and a decrease in income taxes payable.

Net cash used in investing activities was $625.4 million during fiscal 2011, as compared to net cash provided by investing activities of $336.7 million in fiscal 2010. Net cash used in investing activities during fiscal 2011 primarily consisted of $526.4 million of net purchases of available-for-sale securities, $65.0 million for purchases of property, plant and equipment (see further discussion below) and $33.7 million for acquisition of businesses.

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Net cash provided by financing activities was $92.2 million in fiscal 2011, as compared to net cash used in financing activities of $252.1 million in fiscal 2010. Net cash provided by financing activities during fiscal 2011 consisted of $587.6 million of net proceeds from issuance of the 2.625% Debentures, $170.4 million of proceeds from issuance of common stock under employee stock plans, $46.9 million of proceeds from issuance of warrants, $30.2 million of proceeds from sale of interest rate swaps and $7.4 million for the excess of the tax benefit from stock-based compensation, offset by $468.9 million of repurchase of common stocks, $169.1 million for dividend payments to stockholders and $112.3 million for purchase of call options to hedge against potential dilution upon conversion of the 2.625% Debentures.

Accounts Receivable

Accounts receivable, net of allowances for doubtful accounts, customer returns and distributor pricing adjustments increased by 9% from $262.7 million at the end of fiscal 2010 to $286.5 million at the end of fiscal 2011. The increase in accounts receivable balance was primarily attributable to increase in net revenues in fiscal 2011 from the comparable prior year period. Due to higher accounts receivable collection, DSO decreased to 45 days as of April 2, 2011 from 53 days as of April 3, 2010.

Inventories

Inventories increased from $130.6 million as of April 3, 2010 to $264.7 million as of April 2, 2011. The combined inventory days at Xilinx and the distribution channel increased to 135 days as of April 2, 2011, compared to 89 days as of April 3, 2010. The increases were primarily due to build ahead of a number of legacy parts due to the closure of a particular foundry line and higher safety stock levels on certain parts in light of tight capacity at our foundry partners in anticipation of future demand.

We attempt to maintain sufficient levels of inventory in various product, package and speed configurations in order to keep lead times short and to meet forecasted customer demand and address potential supply constraints. Conversely, we also attempt to minimize the handling costs associated with maintaining higher inventory levels and to fully realize the opportunities for cost reductions associated with architecture and manufacturing process advancements. We continually strive to balance these two objectives to provide excellent customer response at a competitive cost.

Property, Plant and Equipment

During fiscal 2011, we invested $65.0 million in property, plant and equipment compared to $28.2 million in fiscal 2010. Primary investments in fiscal 2011 were for testers, handlers, equipment and software in order to support our new products development and infrastructures.

Current Liabilities

Current liabilities increased from $357.2 million at the end of fiscal 2010 to $368.1 million at the end of fiscal 2011. The increase was primarily due to the increase in deferred income on shipments to distributors and other accruals related to the growth in our overall business, partially offset by the decrease in income taxes payable because we were in prepaid position at the end of fiscal 2011.

Stockholders Equity

Stockholders equity increased $294.1 million during fiscal 2011, from $2.12 billion in fiscal 2010 to $2.41 billion in fiscal 2011. The increase in stockholders equity was attributable to total comprehensive income of $653.6 million (which included net income of $641.9 million) for fiscal 2011, issuance of common stock under employee stock plans of $170.4 million, the equity (conversion option) components of the 2.625% Debentures issued in June 2010 of $108.1 million, stock-based compensation related amounts totaling $65.5 million (including the related tax benefits associated with stock option exercises), and proceeds from issuance of warrants of $46.9 million. The increases were partially offset by the repurchase of common stock of $468.9 million, payment of dividends to stockholders of $169.1 million and purchase of call options to hedge against potential dilution upon conversion of the 2.625% Debentures of $112.3 million.

Fiscal 2010 Compared to Fiscal 2009

Cash, Cash Equivalents and Short-term and Long-term Investments

The combination of cash, cash equivalents and short-term and long-term investments as of April 3, 2010 and March 28, 2009 totaled $1.97 billion and $1.67 billion, respectively. As of April 3, 2010, we had cash, cash equivalents and short-term investments of $1.39 billion and working capital of $1.55 billion. Cash provided by

operations of $554.3 million for fiscal 2010 was $111.8 million higher than the $442.5 million generated during fiscal 2009. Cash provided by operations during fiscal 2010 resulted primarily from net income as adjusted for non-cash related items, increases in accrued liabilities, accounts payable and deferred income on shipment to distributors, which were partially offset by increases in accounts receivable, other assets, inventories and prepaid and other current assets as well as a decrease in income taxes payable.

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Net cash used in investing activities was $336.7 million during fiscal 2010, as compared to net cash provided by investing activities of $274.5 million in fiscal 2009. Net cash used in investing activities during fiscal 2010 consisted of $306.3 million of net purchases of available-for-sale securities and $28.2 million for purchases of property, plant and equipment (see further discussion below) and $2.3 million of other investing activities.

Net cash used in financing activities was $252.1 million in fiscal 2010, as compared to $518.1 million in fiscal 2009. Net cash used in financing activities during fiscal 2010 consisted of $150.0 million for the repurchase of common stock, $165.6 million for dividend payments to stockholders and $1.3 million for reduction of tax benefits from stock-based compensation. These items were partially offset by $64.9 million of proceeds from the issuance of common stock under employee stock plans.

Accounts Receivable

Accounts receivable, net of allowances for doubtful accounts, customer returns and distributor pricing adjustments increased by 21% from $216.4 million at the end of fiscal 2009 to $262.7 million at the end of fiscal 2010. DSO increased to 53 days as of April 3, 2010 from 43 days as of March 28, 2009. The increases were primarily attributable to an increase in net shipments at the end of the fourth quarter of fiscal 2010 compared to the end of the fourth quarter of fiscal 2009.

Inventories

Inventories increased from $119.8 million as of March 28, 2009 to $130.6 million as of April 3, 2010. The combined inventory days at Xilinx and the distribution channel increased to 89 days as of April 3, 2010, compared to 80 days as of March 28, 2009. The increases were primarily due to higher inventory at Xilinx and in the distributor channel as a result of the higher anticipated demand.

Property, Plant and Equipment

During fiscal 2010, we invested $28.2 million in property, plant and equipment compared to $39.1 million in fiscal 2009. Primary investments in fiscal 2010 were for software, testers, handlers, computer and other equipment.

Current Liabilities

Current liabilities increased from $233.1 million at the end of fiscal 2009 to $357.2 million at the end of fiscal 2010. The increase was primarily due to the increase in trade payables and accrued liabilities from variable spending driven by higher revenues in the fourth quarter of fiscal 2010 compared to the same prior year period, and an increase in deferred income on shipments to distributors. The increase in deferred income on shipments to distributors was due to an increase in distributor inventories as of April 3, 2010 compared to the prior year.

Stockholders Equity

Stockholders equity increased $171.7 million during fiscal 2010, from $1.95 billion in fiscal 2009 to $2.12 billion in fiscal 2010. The increase in stockholders equity was attributable to total comprehensive income of $375.1 million (which included net income of $357.5 million) for fiscal 2010, the issuance of common stock under employee stock plans of $60.1 million and stock-based compensation related amounts totaling $52.1 million (net of the related tax benefits associated with stock option exercises). The increases were partially offset by the payment of dividends to stockholders of $165.6 million and the repurchase of common stock of $150.0 million.

Liquidity and Capital Resources

Cash generated from operations is used as our primary source of liquidity and capital resources. Our investment portfolio is also available for future cash requirements as is our $250.0 million revolving credit facility entered into in April 2007. We are not aware of any lack of access to the revolving credit facility; however, we can provide no assurance that access to the credit facility will not be impacted by adverse conditions in the financial markets. Our credit facility is not reliant upon a single bank. There have been no borrowings to date under our existing revolving credit facility.

We used $468.9 million of cash to repurchase 17.8 million shares of our common stock in fiscal 2011 compared with $150.0 million used to repurchase 6.2 million shares in fiscal 2010. During fiscal 2011, we paid $169.1 million in cash dividends to stockholders, representing an aggregate amount of $0.64 per common share. During fiscal 2010, we paid $165.6 million in cash dividends to stockholders, representing an aggregate amount of $0.60 per common share. In addition, on March 10, 2011, our Board of Directors declared a cash dividend of $0.19 per common share for the first quarter of fiscal 2012. The dividend is payable on June 8, 2011 to stockholders of record on May 18, 2011. Our

common stock and debentures repurchase program and dividend policy could be impacted by, among other items, our views on potential future capital requirements relating to R&D, investments and acquisitions, legal risks, principal and interest payments on our debentures and other strategic investments.

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The global credit crisis has imposed exceptional levels of volatility and disruption in the capital markets, severely diminished liquidity and credit availability, and increased counterparty risk. Nevertheless, we anticipate that existing sources of liquidity and cash flows from operations will be sufficient to satisfy our cash needs for the foreseeable future. We will continue to evaluate opportunities for investments to obtain additional wafer capacity, procurement of additional capital equipment and facilities, development of new products and potential acquisitions of technologies or businesses that could complement our business. However, the risk factors discussed in Item 1A included in Part I and below could affect our cash positions adversely. In addition, certain types of investments such as auction rate securities may present risks arising from liquidity and/or credit concerns. In the event that our investments in auction rate securities become illiquid, we do not expect this will materially affect our liquidity and capital resources or results of operations.

As of April 2, 2011, marketable securities measured at fair value using Level 3 inputs were comprised of $35.0 million of student loan auction rate securities. The amount of assets and liabilities measured using significant unobservable inputs (Level 3) as a percentage of the total assets and liabilities measured at fair value was less than 2% as of April 2, 2011. See Note 3. Fair Value Measurements to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data, for additional information.

During fiscal 2011, we redeemed $20.2 million of student loan auction rate securities for cash at par value. Additionally, during fiscal 2011, we sold $10.8 million notional value of student loan auction rate securities and realized a $580 thousand loss.

Contractual Obligations

The following table summarizes our significant contractual obligations as of April 2, 2011 and the effect such obligations are expected to have on our liquidity and cash flows in future periods. This table excludes amounts already recorded on our consolidated balance sheet as current liabilities as of April 2, 2011.

	Payments Due by Period				
(In millions)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating lease obligations [1]	$ 16.5	$ 6.1	$ 7.8	$ 2.0	$ 0.6
Inventory and other purchase obligations [2]	141.3	141.3			
Electronic design automation software licenses [3]	16.7	16.7			
Intellectual property license rights obligations [4]	5.0				5.0
2.625% senior convertible debentures principal and interest [5]	697.8	15.8	31.5	31.5	619.0
3.125% junior convertible debentures principal and interest [5]	1,250.0	21.6	43.1	43.1	1,142.2
Total	$ 2,127.3	$ 201.5	$ 82.4	$ 76.6	$ 1,766.8

(1) We lease some of our facilities, office buildings and land under non-cancelable operating leases that expire at various dates through November 2035. Rent expense, net of rental income, under all operating leases was approximately $4.9 million for fiscal 2011. See Note 10. Commitments to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data, for additional information about operating leases.

(2) Due to the nature of our business, we depend entirely upon subcontractors to manufacture our silicon wafers and provide assembly and some test services. The lengthy subcontractor lead times require us to order the materials and services in advance, and we are obligated to pay for the materials and services when completed. We expect to

receive and pay for these materials and services in the next three to six months, as the products meet delivery and quality specifications.

(3) As of April 2, 2011, we had $16.7 million of non-cancelable license obligations to providers of electronic design automation software and hardware/software maintenance expiring at various dates through December 2013.

(4) We committed up to $5.0 million to acquire, in the future, rights to intellectual property until July 2023. License payments will be amortized over the useful life of the intellectual property acquired.

(5) For purposes of this table we have assumed the principal of our debentures will be paid on maturity dates, which is June 15, 2017 for the 2.625% senior convertible debentures and March 15, 2037 for the 3.125% junior convertible debentures. See Note 14. Convertible Debentures and Revolving Credit Facility to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data, for additional information about our debentures.

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As of April 2, 2011, $45.3 million of liabilities for uncertain tax positions and related interest and penalties were classified as long-term income taxes payable in the consolidated balance sheet. Due to the inherent uncertainty with respect to the timing of future cash outflows associated with such liabilities, we are unable to reliably estimate the timing of cash settlement with the respective taxing authorities. Therefore, liabilities for uncertain tax positions have been excluded from the contractual obligations table above.

Off-Balance-Sheet Arrangements

As of April 2, 2011, we did not have any significant off-balance-sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Recent Accounting Pronouncements

See Note 2. Summary of Significant Accounting Policies and Concentrations of Risk to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data, for information about recent accounting pronouncements, including the expected dates of adoption and estimated effects, if any, on our consolidated financial statements.

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our exposure to interest rate risk relates primarily to our investment portfolio, which consists of fixed income securities with a fair value of approximately $2.33 billion as of April 2, 2011. Our primary aim with our investment portfolio is to invest available cash while preserving principal and meeting liquidity needs. Our investment portfolio includes municipal bonds, floating rate notes, mortgage-backed securities, bank certificates of deposit, commercial paper, corporate bonds, student loan auction rate securities and U.S. and foreign government and agency securities. In accordance with our investment policy, we place investments with high credit quality issuers and limit the amount of credit exposure to any one issuer based upon the issuer s credit rating. These securities are subject to interest rate risk and will decrease in value if market interest rates increase. A hypothetical 100 basis-point (one percentage point) increase or decrease in interest rates compared to rates at April 2, 2011 and April 3, 2010 would have affected the fair value of our investment portfolio by less than $16.0 million and $10.0 million, respectively.

Credit Market Risk

Since September 2007, the global credit markets have experienced adverse conditions that have negatively impacted the values of various types of investment and non-investment grade securities. During this time, the global credit and capital markets experienced significant volatility and disruption due to instability in the global financial system, uncertainty related to global economic conditions and concerns regarding sovereign financial stability. While general conditions in the global credit markets have improved, there is a risk that we may incur additional other-than-temporary impairment charges for certain types of investments should credit market conditions deteriorate. See Note 4. Financial Instruments to our consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data, for additional information about our investments.

Foreign Currency Exchange Risk

Sales to all direct OEMs and distributors are denominated in U.S. dollars.

Gains and losses on foreign currency forward contracts that are designated as hedges of anticipated transactions, for which a firm commitment has been attained and the hedged relationship has been effective, are deferred and included in income or expenses in the same period that the underlying transaction is settled. Gains and losses on any instruments not meeting the above criteria are recognized in income or expenses in the consolidated statements of income as they are incurred.

We enter into forward currency exchange contracts to hedge our overseas operating expenses and other liabilities when deemed appropriate. As of April 2, 2011 and April 3, 2010, we had the following outstanding forward currency exchange contracts:

(In thousands and U.S. dollars)	April 2, 2011	April 3, 2010
Euro	$ 38,787	$ 21,190
Singapore dollar	52,782	58,420
Japanese Yen	12,382	12,268
British Pound	8,853	4,889
	$ 112,804	$ 96,767

As part of our strategy to reduce volatility of operating expenses due to foreign exchange rate fluctuations, we employ a hedging program with a five-quarter forward outlook for major foreign-currency-denominated operating expenses. The outstanding forward currency exchange contracts expire at various dates between April 2011 and May 2012. The net unrealized gain or loss, which approximates the fair market value of the above contracts, was immaterial as of April 2, 2011 and April 3, 2010.

Our investments in several of our wholly-owned subsidiaries are recorded in currencies other than the U.S. dollar. As the financial statements of these subsidiaries are translated at each quarter end during consolidation, fluctuations of exchange rates between the foreign currency and the U.S. dollar increase or decrease the value of those investments.

These fluctuations are recorded within stockholders equity as a component of accumulated other comprehensive income (loss). Other monetary foreign-denominated assets and liabilities are revalued on a monthly basis with gains and losses on revaluation reflected in net income. A hypothetical 10% favorable or unfavorable change in foreign currency exchange rates at April 2, 2011 and April 3, 2010 would have affected the annualized foreign-currency-denominated operating expenses of our foreign subsidiaries by less than $9.0 million for each year. In addition, a hypothetical 10% favorable or unfavorable change in foreign currency exchange rates compared to rates at April 2, 2011 and April 3, 2010 would have affected the value of foreign-currency-denominated cash and investments by less than $5.0 million as of each date.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

XILINX, INC.
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)	Years Ended Ended April 2, 2011	April 3, 2010	March 28, 2009
Net revenues	$ 2,369,445	$ 1,833,554	$ 1,825,184
Cost of revenues	819,558	671,803	669,151
Gross margin	1,549,887	1,161,751	1,156,033
Operating expenses:			
Research and development	392,482	369,485	355,392
Selling, general and administrative	350,626	327,560	343,768
Amortization of acquisition-related intangibles	1,034	2,493	5,332
Restructuring charges	10,346	30,064	22,023
Total operating expenses	754,488	729,602	726,515
Operating income	795,399	432,149	429,518
Gain on early extinguishment of convertible debentures			75,035
Impairment loss on investments	(5,904)	(3,805)	(54,129)
Interest and other income (expense), net	(18,415)	(6,579)	7,602
Income before income taxes	771,080	421,765	458,026
Provision for income taxes	129,205	64,281	96,307
Net income	$ 641,875	$ 357,484	$ 361,719
Net income per common share:			
Basic	$ 2.43	$ 1.30	$ 1.31
Diluted	$ 2.39	$ 1.29	$ 1.31
Shares used in per share calculations:			
Basic	264,094	276,012	276,113
Diluted	268,061	276,953	276,854

See notes to consolidated financial statements.

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XILINX, INC.
Consolidated Balance Sheets

(In thousands, except par value amounts)	April 2, 2011	April 3 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,222,359	$ 1,031,457
Short-term investments	704,054	355,148
Accounts receivable, net of allowances for doubtful accounts and customer returns of $3,579 and $3,628 in 2011 and 2010, respectively	286,464	262,735
Inventories	264,745	130,628
Deferred tax assets	88,064	101,126
Prepaid expenses and other current assets	57,100	25,972
Total current assets	2,622,786	1,907,066
Property, plant and equipment, at cost:		
Land	94,260	94,260
Buildings	301,642	300,393
Machinery and equipment	305,842	271,955
Furniture and fixtures	46,197	48,297
	747,941	714,905
Accumulated depreciation and amortization	(367,371)	(349,027)
Net property, plant and equipment	380,570	365,878
Long-term investments	766,452	582,202
Goodwill	133,580	117,955
Acquisition-related intangibles, net	26,896	
Other assets	210,566	211,217
Total Assets	$ 4,140,850	$ 3,184,318
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	$ 99,252	$ 96,169
Accrued payroll and related liabilities	125,582	114,663
Income taxes payable		14,452
Deferred income on shipments to distributors	99,763	80,132
Other accrued liabilities	43,543	51,745
Total current liabilities	368,140	357,161
Convertible debentures	890,980	354,798

Deferred tax liabilities	403,990	294,149
Long term income taxes payable	45,306	56,248
Other long-term liabilities	17,817	1,492
Commitments and contingencies		
Stockholder s equity:		
Preferred stock, $.01 par value; 2,000 shares authorized; none issued and outstanding		
Common stock, $.01 par value; 2,000,000 shares authorized; 264,602 and 273,487 shares issued and outstanding in 2011 and 2010, respectively	2,646	2,735
Additional paid-in capital	1,163,410	1,102,411
Retained earnings	1,238,044	1,016,545
Accumulated other comprehensive income (loss)	10,517	(1,221)
Total stockholders equity	2,414,617	2,120,470
Total Liabilities and Stockholders Equity	$ 4,140,850	$ 3,184,318

See notes to consolidated financial statements.

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XILINX, INC.
Consolidated Statements of Cash Flows

(In thousands)	Years Ended April 2, 2011	April 3, 2010	March 28, 2009
Cash flows from operating activities:			
Net income	$ 641,875	$ 357,484	$ 361,719
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	50,361	50,180	55,632
Amortization	8,531	14,982	15,682
Stock-based compensation	60,258	56,481	54,509
Gain on early extinguishment of convertible debentures			(75,035)
Impairment loss on investments	5,904	3,805	54,129
Net gain on sale of available-for-sale securities	(3,821)	(351)	(2,706)
Amortization of debt discount on convertible debentures	13,921	3,892	4,789
Derivatives revaluation and amortization	(113)	(1,204)	(97)
Provision for deferred income taxes	109,561	58,030	47,831
Tax benefit (expense) from exercise of stock options	4,861	(4,352)	4,244
(Excess) reduction of tax benefit from stock-based compensation	(7,406)	1,315	(4,779)
Changes in assets and liabilities:			
Accounts receivable, net	(23,699)	(46,345)	32,757
Inventories	(133,724)	(10,779)	10,022
Deferred income taxes			(9,637)
Prepaid expenses and other current assets	(4,854)	(9,174)	10,309
Other assets	(841)	(15,341)	(17,426)
Accounts payable	2,833	47,967	(11,201)
Accrued liabilities (including restructuring activities)	(3,496)	50,103	(24,353)
Income taxes payable	(15,630)	(20,170)	(14,545)
Deferred income on shipments to distributors	19,631	17,768	(49,314)
Net cash provided by operating activities	724,152	554,291	442,530
Cash flows from investing activities:			
Purchases of available-for-sale securities	(2,578,393)	(1,669,148)	(945,069)
Proceeds from sale and maturity of available-for-sale securities	2,052,016	1,362,838	1,259,511
Purchases of property, plant and equipment	(64,979)	(28,152)	(39,109)
Other investing activities	(34,085)	(2,270)	(793)
Net cash provided by (used in) investing activities	(625,441)	(336,732)	274,540
Cash flows from financing activities:			
Repurchases of convertible debentures			(193,182)
Repurchases of common stock	(468,943)	(149,997)	(275,000)
Proceeds from issuance of common stock through various stock plans	170,353	64,871	99,859

Payment of dividends to stockholders	(169,072)	(165,648)	(154,534)
Proceeds from issuance of convertible debts, net of issuance costs	587,644		
Purchase of call options	(112,319)		
Proceeds from issuance of warrants	46,908		
Proceeds from sale of interest rate swaps	30,214		
Excess (reduction of) tax benefit from stock-based compensation	7,406	(1,315)	4,779
Net cash provided by (used in) financing activities	92,191	(252,089)	(518,078)
Net increase (decrease) in cash and cash equivalents	190,902	(34,530)	198,992
Cash and cash equivalents at beginning of period	1,031,457	1,065,987	866,995
Cash and cash equivalents at end of period	$ 1,222,359	$ 1,031,457	$ 1,065,987
Supplemental disclosure of cash flow information:			
Interest paid	$ 29,827	$ 21,551	$ 28,828
Income taxes paid, net of refunds	$ 30,561	$ 31,869	$ 75,375

See notes to consolidated financial statements.

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XILINX, INC.
Consolidated Statements of Stockholders Equity

(In thousands, except per share amounts)	Common Stock Outstanding Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders Equity
Balance as of March 29, 2008	280,519	$ 2,805	$ 1,160,278	$ 800,310	$ 5,804	$ 1,969,197
Components of comprehensive income:						
Net income				361,719		361,719
Change in net unrealized loss on available-for-sale securities, net of tax benefit of $9,272					(14,888)	(14,888)
Change in net unrealized loss on hedging transactions, net of taxes					(2,039)	(2,039)
Cumulative translation adjustment					(7,735)	(7,735)
Total comprehensive income						337,057
Issuance of common shares under employee stock plans	5,811	58	96,338			96,396
Repurchase and retirement of common stock	(10,823)	(108)	(156,635)	(118,257)		(275,000)
Early extinguishment of convertible debentures			(72,593)			(72,593)
Stock-based compensation expense			54,509			54,509
Stock-based compensation capitalized in inventory			(396)			(396)
Adjustment to accounting for uncertain tax position adoption entry				(10,120)		(10,120)
Cash dividends declared ($0.56 per common share)				(154,534)		(154,534)
Tax benefit from exercise of stock options			4,244			4,244
Balance as of March 28, 2009	275,507	2,755	1,085,745	879,118	(18,858)	1,948,760
Components of comprehensive income:						
Net income				357,484		357,484
Change in net unrealized loss on available-for-sale securities, net of tax benefit of $9,115					14,756	14,756
Change in net unrealized loss on hedging transactions, net of taxes					(541)	(541)
Cumulative translation adjustment					3,422	3,422
Total comprehensive income						375,121
Issuance of common shares under employee stock plans	4,183	42	60,046			60,088

Repurchase and retirement of common stock	(6,203)	(62)	(95,526)	(54,409)		(149,997)
Stock-based compensation expense			56,481			56,481
Stock-based compensation capitalized in inventory			17			17
Cash dividends declared ($0.60 per common share)				(165,648)		(165,648)
Reduction of tax benefit from exercise of stock options			(4,352)			(4,352)
Balance as of April 3, 2010	273,487	2,735	1,102,411	1,016,545	(1,221)	2,120,470
Components of comprehensive income:						
Net income				641,875		641,875
Change in net unrealized loss on available-for-sale securities, net of tax benefit of $2,176					3,537	3,537
Change in net unrealized loss on hedging transactions, net of taxes					6,776	6,776
Cumulative translation adjustment					1,425	1,425
Total comprehensive income						653,613
Issuance of common shares under employee stock plans	8,870	89	170,264			170,353
Repurchase and retirement of common stock	(17,755)	(178)	(217,461)	(251,304)		(468,943)
Stock-based compensation expense			60,258			60,258
Stock-based compensation capitalized in inventory			394			394
Equity component of 2.625% Debentures, net			108,094			108,094
Purchase of call options			(112,319)			(112,319)
Issuance of warrants			46,908			46,908
Cash dividends declared ($0.64 per common share)				(169,072)		(169,072)
Tax benefit from exercise of stock options			4,861			4,861
Balance as of April 2, 2011	264,602	$ 2,646	$ 1,163,410	$ 1,238,044	$ 10,517	$ 2,414,617

See notes to consolidated financial statements.

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XILINX, INC.
Notes to Consolidated Financial Statements

Note 1. Nature of Operations

Xilinx, Inc. (Xilinx or the Company) designs, develops and markets programmable platforms, including advanced integrated circuits, software design tools and predefined system functions delivered as intellectual property cores. In addition to its programmable platforms, the Company provides design services, customer training, field engineering and technical support. The wafers used to manufacture its products are obtained primarily from independent wafer manufacturers located in Taiwan and Japan. The Company is dependent on these foundries to produce and deliver silicon wafers on a timely basis. The Company is also dependent on subcontractors, primarily located in the Asia Pacific region, to provide semiconductor assembly, test and shipment services. Xilinx is a global company with sales offices throughout the world. The Company derives over one-half of its revenues from international sales, primarily in the Asia Pacific region, Europe and Japan.

Note 2. Summary of Significant Accounting Policies and Concentrations of Risk

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Xilinx and its wholly-owned subsidiaries after elimination of all intercompany transactions. The Company uses a 52- to 53-week fiscal year ending on the Saturday nearest March 31. Fiscal 2011 and 2009 were a 52-week year ended on April 2, 2011 and March 28, 2009, respectively. Fiscal 2010 was a 53-week year ended on April 3, 2010. Fiscal 2012 will be a 52-week year ending on March 31, 2012.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of net revenues and expenses during the reporting period. Such estimates relate to, among others, the useful lives of assets, assessment of recoverability of property, plant and equipment, long-lived assets including acquisition-related intangible assets and goodwill, inventory write-downs, allowances for doubtful accounts customer returns and deferred tax assets, stock-based compensation, potential reserves relating to litigation and tax matters, valuation of certain investments and derivative financial instruments as well as other accruals or reserves. Actual results may differ from those estimates and such differences may be material to the financial statements.

Cash Equivalents and Investments

Cash equivalents consist of highly liquid investments with original maturities from the date of purchase of three months or less. These investments consist of commercial paper, bank certificates of deposit, money market funds and time deposits. Short-term investments consist of municipal bonds, corporate bonds, commercial paper, U.S. and foreign government and agency securities, floating rate notes, mortgage-backed securities and bank certificates of deposit with original maturities greater than three months and remaining maturities less than one year from the balance sheet date. Long-term investments consist of U.S. and foreign government and agency securities, corporate bonds, mortgage-backed securities, floating rate notes and municipal bonds with remaining maturities greater than one year, unless the investments are specifically identified to fund current operations, in which case they are classified as short-term investments. As of April 2, 2011 and April 3, 2010, long-term investments also included approximately $35.0 million and $61.6 million, respectively, of auction rate securities that experienced failed auctions in the fourth quarter of fiscal 2008. These auction rate securities are secured primarily by pools of student loans originated under Federal Family Education Loan Program (FFELP) that are substantially guaranteed by the U. S. Department of Education. Equity investments are also classified as long-term investments since they are not intended to fund current operations.

The Company maintains its cash balances with various banks with high quality ratings, and investment banking and asset management institutions. The Company manages its liquidity risk by investing in a variety of money market funds, high-grade commercial paper, corporate bonds, municipal bonds and U.S. and foreign government and agency securities. This diversification of investments is consistent with its policy to maintain liquidity and ensure the ability to collect principal. The Company maintains an offshore investment portfolio denominated in U.S. dollars. All

investments are made pursuant to corporate investment policy guidelines. Investments include Euro commercial paper, Euro dollar bonds, Euro dollar floating rate notes, offshore time deposits, U.S. and foreign government and agency securities, and mortgage-backed securities issued by U.S. government-sponsored enterprises and agencies.

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Management classifies investments as available-for-sale or held-to-maturity at the time of purchase and re-evaluates such designation at each balance sheet date, although classification is not generally changed. Securities are classified as held-to-maturity when the Company has the positive intent and the ability to hold the securities until maturity. Held-to-maturity securities are carried at cost adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization, as well as any interest on the securities, is included in interest income. No investments were classified as held-to-maturity as of April 2, 2011 or April 3, 2010. Available-for-sale securities are carried at fair value with the unrealized gains or losses, net of tax, included as a component of accumulated other comprehensive income (loss) in stockholders equity. See Note 3. Fair Value Measurements for information relating to the determination of fair value. Realized gains and losses on available-for-sale securities are included in interest and other income (expense), net, and declines in value judged to be other than temporary are included in impairment loss on investments. The cost of securities matured or sold is based on the specific identification method.

In determining whether a decline in value of non-marketable equity investments in private companies is other than temporary, the assessment is made by considering available evidence including the general market conditions in the investee s industry, the investee s product development status, the investee s ability to meet business milestones and the financial condition and near-term prospects of the individual investee, including the rate at which the investee is using its cash, the investee s need for possible additional funding at a lower valuation and bona fide offers to purchase the investee from a prospective acquirer. When a decline in value is deemed to be other than temporary, the Company recognizes an impairment loss in the current period s operating results to the extent of the decline.

Accounts Receivable

The allowance for doubtful accounts reflects the Company s best estimate of probable losses inherent in the accounts receivable balance. The Company determines the allowance based on the aging of Xilinx s accounts receivable, historical experience, known troubled accounts, management judgment and other currently available evidence. Xilinx writes off accounts receivable against the allowance when Xilinx determines a balance is uncollectible and no longer actively pursues collection of the receivable. The amounts of accounts receivable written off were insignificant for all periods presented.

Inventories

Inventories are stated at the lower of actual cost (determined using the first-in, first-out method), or market (estimated net realizable value) and are comprised of the following:

(In thousands)	April 2, 2011	April 3, 2010
Raw materials	$ 15,465	$ 13,257
Work-in-process	214,023	85,990
Finished goods	35,257	31,381
	$ 264,745	$ 130,628

The Company reviews and sets standard costs quarterly to approximate current actual manufacturing costs. The Company s manufacturing overhead standards for product costs are calculated assuming full absorption of actual spending over actual volumes, adjusted for excess capacity. Given the cyclicality of the market, the obsolescence of technology and product lifecycles, the Company writes down inventory based on forecasted demand and technological obsolescence. These factors are impacted by market and economic conditions, technology changes, new product introductions and changes in strategic direction and require estimates that may include uncertain elements. Actual demand may differ from forecasted demand and such differences may have a material effect on recorded inventory values.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation. Depreciation for financial reporting purposes is computed using the straight-line method over the estimated useful lives of the assets of three to five years for machinery, equipment, furniture and fixtures and 15 to 30 years for buildings. Depreciation expense

totaled $50.4 million, $50.2 million and $55.6 million for fiscal 2011, 2010 and 2009, respectively.

Impairment of Long-Lived Assets Including Acquisition-Related Intangibles

The Company evaluates the carrying value of long-lived assets and certain identifiable intangible assets to be held and used for impairment if indicators of potential impairment exist. Impairment indicators are reviewed on a quarterly basis. When indicators of impairment exist and assets are held for use, the Company estimates future undiscounted cash flows attributable to the assets. In the event such cash flows are not expected to be sufficient to recover the recorded value of the assets, the assets are written down to their estimated fair values based on the expected discounted future cash flows attributable to the assets or based on appraisals. When assets are removed from operations and held for sale, Xilinx estimates impairment losses as the excess of the carrying value of the assets over their fair value.

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Goodwill

Goodwill is not amortized but is subject to impairment tests on an annual basis, or more frequently if indicators of potential impairment exist, using a fair-value-based approach. All other intangible assets are amortized over their estimated useful lives and assessed for impairment. Based on the impairment review performed during the fourth quarter of fiscal 2011, there was no impairment of goodwill in fiscal 2011. Unless there are indicators of impairment, the Company s next impairment review for goodwill will be performed and completed in the fourth quarter of fiscal 2012. To date, no impairment indicators have been identified.

Revenue Recognition

Sales to distributors are made under agreements providing distributor price adjustments and rights of return under certain circumstances. Revenue and costs relating to distributor sales are deferred until products are sold by the distributors to the distributors end customers. For fiscal 2011, approximately 63% of the Company s net revenues were from products sold to distributors for subsequent resale to OEMs or their subcontract manufacturers. Revenue recognition depends on notification from the distributor that product has been sold to the distributor s end customer. Also reported by the distributor are product resale price, quantity and end customer shipment information, as well as inventory on hand. Reported distributor inventory on hand is reconciled to deferred revenue balances monthly. The Company maintains system controls to validate distributor data and to verify that the reported information is accurate. Deferred income on shipments to distributors reflects the effects of distributor price adjustments and the amount of gross margin expected to be realized when distributors sell through product purchased from the Company. Accounts receivable from distributors are recognized and inventory is relieved when title to inventories transfers, typically upon shipment from Xilinx at which point the Company has a legally enforceable right to collection under normal payment terms.

As of April 2, 2011, the Company had $134.0 million of deferred revenue and $34.2 million of deferred cost of revenues recognized as a net $99.8 million of deferred income on shipments to distributors. As of April 3, 2010, the Company had $110.4 million of deferred revenue and $30.3 million of deferred cost of revenues recognized as a net $80.1 million of deferred income on shipments to distributors. The deferred income on shipments to distributors that will ultimately be recognized in the Company s consolidated statement of income will be different than the amount shown on the consolidated balance sheet due to actual price adjustments issued to the distributors when the product is sold to their end customers.

Revenue from sales to the Company s direct customers is recognized upon shipment provided that persuasive evidence of a sales arrangement exists, the price is fixed, title has transferred, collection of resulting receivables is reasonably assured, and there are no customer acceptance requirements and no remaining significant obligations. For each of the periods presented, there were no significant formal acceptance provisions with the Company s direct customers.

Revenue from software licenses is deferred and recognized as revenue over the term of the licenses of one year. Revenue from support services is recognized when the service is performed. Revenue from Support Products, which includes software and services sales, was less than 6% of net revenues for all of the periods presented.

Allowances for end customer sales returns are recorded based on historical experience and for known pending customer returns or allowances.

Foreign Currency Translation

The U.S. dollar is the functional currency for the Company s Ireland and Singapore subsidiaries. Assets and liabilities that are not denominated in the functional currency are remeasured into U.S. dollars, and the resulting gains or losses are included in the consolidated statements of income under interest and other income (expense), net. The remeasurement gains or losses were immaterial for all fiscal periods presented.

The local currency is the functional currency for each of the Company s other wholly-owned foreign subsidiaries. Assets and liabilities are translated from foreign currencies into U.S. dollars at month-end exchange rates and statements of income are translated at the average monthly exchange rates. Exchange gains or losses arising from translation of foreign currency denominated assets and liabilities (i.e., cumulative translation adjustment) are included as a component of accumulated other comprehensive income (loss) in stockholders equity.

Derivative Financial Instruments

To reduce financial risk, the Company periodically enters into financial arrangements as part of the Company s ongoing asset and liability management activities. Xilinx uses derivative financial instruments to hedge fair values of underlying assets and liabilities or future cash flows which are exposed to foreign currency fluctuations. The Company does not enter into derivative financial instruments for trading or speculative purposes. See Note 5. Derivative Financial Instruments for detailed information about the Company s derivative financial instruments.

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Research and Development Expenses

Research and development costs are current period expenses and charged to expense as incurred.

Stock-Based Compensation

The Company has equity incentive plans that are more fully discussed in Note 6. Stock-Based Compensation Plans. The authoritative guidance of accounting for share-based payment requires the Company to measure the cost of all employee equity awards that are expected to be exercised based on the grant-date fair value of those awards and to record that cost as compensation expense over the period during which the employee is required to perform service in exchange for the award (over the vesting period of the award). In addition, the Company is required to record compensation expense (as previous awards continue to vest) for the unvested portion of previously granted awards that remain outstanding at the date of adoption. The authoritative guidance of accounting for share-based payment requires cash flows resulting from excess tax benefits to be classified as a part of cash flows from financing activities. Excess tax benefits are realized tax benefits from tax deductions for exercised options in excess of the deferred tax asset attributable to stock compensation costs for such options. The exercise price of employee stock options is equal to the market price of Xilinx common stock (defined as the closing trading price reported by The NASDAQ Global Select Market) on the date of grant. Additionally, Xilinx s employee stock purchase plan is deemed a compensatory plan under the authoritative guidance of accounting for share-based payment. Accordingly, the employee stock purchase plan is included in the computation of stock-based compensation expense.

The Company uses the straight-line attribution method to recognize stock-based compensation costs over the requisite service period of the award. Upon exercise, cancellation or expiration of stock options, deferred tax assets for options with multiple vesting dates are eliminated for each vesting period on a first-in, first-out basis as if each award had a separate vesting period. To calculate the excess tax benefits available for use in offsetting future tax shortfalls as of the date of implementation, the Company followed the alternative transition method.

Income Taxes

All income tax amounts reflect the use of the liability method under the accounting for income taxes, as interpreted by FASB authoritative guidance for measuring uncertain tax positions. Under this method, deferred tax assets and liabilities are determined based on the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial and income tax reporting purposes.

Product Warranty and Indemnification

The Company generally sells products with a limited warranty for product quality. The Company provides an accrual for known product issues if a loss is probable and can be reasonably estimated. As of the end of both fiscal 2011 and 2010, the accrual balance of the product warranty liability was immaterial.

The Company offers, subject to certain terms and conditions, to indemnify certain customers and distributors for costs and damages awarded against these parties in the event the Company s hardware products are found to infringe third-party intellectual property rights, including patents, copyrights or trademarks, and to compensate certain customers for limited specified costs they actually incur in the event our hardware products experience epidemic failure. To a lesser extent, the Company may from time-to-time offer limited indemnification with respect to its software products. The terms and conditions of these indemnity obligations are limited by contract, which obligations are typically perpetual from the effective date of the agreement. The Company has historically received only a limited number of requests for indemnification under these provisions and has not made any significant payments pursuant to these provisions. The Company cannot estimate the maximum amount of potential future payments, if any, that the Company may be required to make as a result of these obligations due to the limited history of indemnification claims and the unique facts and circumstances that are likely to be involved in each particular claim and indemnification provision. However, there can be no assurances that the Company will not incur any financial liabilities in the future as a result of these obligations.

Concentrations of Credit Risk

Avnet, one of the Company s distributors, distributes the substantial majority of the Company s products worldwide. As of April 2, 2011 and April 3, 2010, Avnet accounted for 79% and 83% of the Company s total accounts receivable, respectively. Resale of product through Avnet accounted for 51%, 49% and 55% of the Company s worldwide net revenues in fiscal 2011, 2010 and 2009, respectively. The percentage of accounts receivable due from Avnet and the

percentage of worldwide net revenues from Avnet are consistent with historical patterns.

Xilinx is subject to concentrations of credit risk primarily in its trade accounts receivable and investments in debt securities to the extent of the amounts recorded on the consolidated balance sheet. The Company attempts to mitigate the concentration of credit risk in its trade receivables through its credit evaluation process, collection terms, distributor sales to diverse end customers and through geographical dispersion of sales. Xilinx generally does not require collateral for receivables from its end customers or from distributors.

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No end customer accounted for more than 10% of net revenues for any of the periods presented.

The Company mitigates concentrations of credit risk in its investments in debt securities by currently investing more than 94% of its portfolio in AA or higher grade securities as rated by Standard & Poor s or Moody s Investors Service. The Company s methods to arrive at investment decisions are not solely based on the rating agencies credit ratings. Xilinx also performs additional credit due diligence and conducts regular portfolio credit reviews, including a review of counterparty credit risk related to the Company s forward currency exchange and interest rate swap contracts. Additionally, Xilinx limits its investments in the debt securities of a single issuer based upon the issuer s credit rating and attempts to further mitigate credit risk by diversifying risk across geographies and type of issuer. As of April 2, 2011, 52% and 48% of its investments in debt securities were domestic and foreign issuers, respectively. See Note 4. Financial Instruments for detailed information about the Company s investment portfolio.

As of April 2, 2011, less than 2% of the Company s $2.60 billion investment portfolio consisted of student loan auction rate securities and all of these securities are rated AAA with the exception of $3.8 million that were downgraded to an A rating during fiscal 2009. Nearly all of the underlying assets that secure these securities are pools of student loans originated under the FFELP, which are substantially guaranteed by the U.S. Department of Education. These securities experienced failed auctions in the fourth quarter of fiscal 2008 due to liquidity issues in the global credit markets. In a failed auction, the interest rates are reset to a maximum rate defined by the contractual terms for each security. The Company has collected and expects to collect all interest payable on these securities when due. During fiscal 2011 and 2010, $20.2 million and $1.3 million, respectively, of these student loan auction rate securities were redeemed for cash by the issuers at par value. In addition, during fiscal 2011 the Company sold $10.8 million notional value of student loan auction rate securities and realized a $580 thousand loss. Because there can be no assurance of a successful auction in the future, the student loan auction rate securities are reclassified as long-term investments on the consolidated balance sheets. The maturity dates range from December 2027 to May 2046.

As of April 2, 2011, approximately 23% of the portfolio consisted of mortgage-backed securities. All of the mortgage-backed securities in the investment portfolio are AAA rated and were issued by U.S. government-sponsored enterprises and agencies.

The global credit and capital markets have continued to experience adverse conditions that have negatively impacted the values of various types of investment and non-investment grade securities, and have experienced volatility and disruption due to instability in the global financial system, uncertainty related to global economic conditions and concerns regarding sovereign financial stability. While general conditions in the global credit markets have improved, there is a risk that the Company may incur other-than-temporary impairment charges for certain types of investments should credit market conditions deteriorate or the underlying assets fail to perform as anticipated. See Note 4. Financial Instruments for a table of the Company s available-for-sale securities.

Dependence on Independent Manufacturers and Subcontractors

The Company does not directly manufacture the finished silicon wafers used to manufacture its products. Xilinx receives a majority of its finished wafers from one independent wafer manufacturer located in Taiwan. The Company is also dependent on a limited number of subcontractors, primarily located in the Asia Pacific region, to provide semiconductor assembly, test and shipment services.

Recent Accounting Pronouncements

In October 2009, the FASB issued the authoritative guidance to update the accounting and reporting requirements for revenue arrangements with multiple deliverables. This guidance established a selling price hierarchy, which allows the use of an estimated selling price to determine the selling price of a deliverable in cases where neither vendor-specific objective evidence nor third-party evidence is available. This guidance is to be applied prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, which for the Company is its fiscal 2012. Early adoption is permitted, and if this update is adopted early in other than the first quarter of an entity s fiscal year, then it must be applied retrospectively to the beginning of that fiscal year. The Company does not expect this guidance to have significant impacts on its consolidated financial statements.

In October 2009, the FASB issued the authoritative guidance that clarifies which revenue allocation and measurement guidance should be used for arrangements that contain both tangible products and software, in cases where the software is more than incidental to the tangible product as a whole. More specifically, if the software sold with or

embedded within the tangible product is essential to the functionality of the tangible product, then this software as well as undelivered software elements that relate to this software are excluded from the scope of existing software revenue guidance. This guidance is to be applied prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, which for the Company is its fiscal 2012. Early adoption is permitted, and if this update is adopted early in other than the first quarter of an entity s fiscal year, then it must be applied retrospectively to the beginning of that fiscal year. The Company does not expect this guidance to have significant impacts on its consolidated financial statements.

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In January 2010, the FASB issued amended standards that require additional disclosures about inputs and valuation techniques used to measure fair value as well as disclosures about significant transfers, beginning in the Company s fourth quarter of fiscal 2010. Additionally, these amended standards require presentation of disaggregated activity within the reconciliation for fair value measurements using significant unobservable inputs (Level 3), beginning in the Company s first quarter of fiscal 2012.

In April 2010, the FASB issued the authoritative guidance on milestone method of revenue recognition. Under the new guidance, an entity can recognize revenue from consideration that is contingent upon achievement of a milestone in the period in which the milestone is achieved only if the milestone meets all criteria to be considered substantive. This guidance is to be applied prospectively for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010, which for the Company is its fiscal 2012. Early adoption is permitted, and if this update is adopted early in other than the first quarter of an entity s fiscal year, then it must be applied retrospectively to the beginning of that fiscal year. The Company does not expect this guidance to have significant impacts on its consolidated financial statements.

In December 2010, the FASB issued the authoritative guidance to amend Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. This guidance is effective for public entities for fiscal years, and interim periods within those years, beginning after December 15, 2010, which for Xilinx is its first quarter fiscal 2012. The Company does not expect these new standards to have significant impacts on the Company s consolidated financial statements.

In December 2010, the FASB issued the authoritative guidance to clarify the pro forma revenue and earnings disclosure requirements for business combinations. The guidance specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. This guidance is effective for public entities prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010, which for Xilinx is its first quarter fiscal 2012.

Note 3. Fair Value Measurements

The guidance for fair value measurements established by the FASB defines fair value as the exchange price that would be received from selling an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which Xilinx would transact and also considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

The Company determines the fair value for marketable debt securities using industry standard pricing services, data providers and other third-party sources and by internally performing valuation analyses. The Company primarily uses a consensus price or weighted average price for its fair value assessment. The Company determines the consensus price using market prices from a variety of industry standard pricing services, data providers, security master files from large financial institutions and other third party sources and uses those multiple prices as inputs into a distribution-curve-based algorithm to determine the daily market value. The pricing services use multiple inputs to determine market prices, including reportable trades, benchmark yield curves, credit spreads and broker/dealer quotes as well as other industry and economic events. For certain securities with short maturities, such as discount commercial paper and certificates of deposit, the security is accreted from purchase price to face value at maturity. If a subsequent transaction on the same security is observed in the marketplace, the price on the subsequent transaction is used as the current daily market price and the security will be accreted to face value based on the revised price. For certain other securities, such as student loan auction rate securities, the Company performs its own valuation analysis using a discounted cash flow pricing model.

The Company validates the consensus prices by taking random samples from each asset type and corroborating those prices using reported trade activity, benchmark yield curves, binding broker/dealer quotes or other relevant price information. There have not been any changes to the Company s fair value methodology during fiscal 2010 and the Company did not adjust or override any fair value measurements as of April 2, 2011.

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Fair Value Hierarchy

The measurements of fair value were established based on a fair value hierarchy that prioritizes the utilized inputs. This hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. The guidance for fair value measurements requires that assets and liabilities carried at fair value be classified and disclosed in one of the following categories:

Level 1 Quoted (unadjusted) prices in active markets for identical assets or liabilities.

The Company s Level 1 assets consist of U.S. Treasury securities and money market funds.

Level 2 Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

The Company s Level 2 assets consist of bank certificates of deposit, commercial paper, corporate bonds, municipal bonds, U.S. agency securities, foreign government and agency securities, floating-rate notes and mortgage-backed securities. The Company s Level 2 assets and liabilities include foreign currency forward contracts.

Level 3 Unobservable inputs to the valuation methodology that are supported by little or no market activity and that are significant to the measurement of the fair value of the assets or liabilities. Level 3 assets and liabilities include those whose fair value measurements are determined using pricing models, discounted cash flow methodologies or similar valuation techniques, as well as significant management judgment or estimation.

The Company s Level 3 assets and liabilities include student loan auction rate securities and the embedded derivative related to the Company s debentures.

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Assets and Liabilities Measured at Fair Value on a Recurring Basis

In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability. The following tables present information about the Company s assets and liabilities measured at fair value on a recurring basis as of April 2, 2011 and April 3, 2010:

	April 2, 2011			
(In thousands)	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Money market funds	$ 275,596	$	$	$ 275,596
Bank certificates of deposit		89,984		89,984
Commercial paper		710,211		710,211
Corporate bonds		25,566		25,566
Auction rate securities			34,950	34,950
Municipal bonds		16,958		16,958
U.S. government and agency securities	52,343	153,540		205,883
Foreign government and agency securities		546,398		546,398
Floating rate notes		92,130		92,130
Mortgage-backed securities		605,667		605,667
Foreign currency forward contracts (net)		5,134		5,134
Total assets measured at fair value	$ 327,939	$ 2,245,588	$ 34,950	$ 2,608,477
Liabilities:				
Convertible debentures embedded derivative			945	945
Total liabilities measured at fair value	$	$	$ 945	$ 945
Net assets measured at fair value	$ 327,939	$ 2,245,588	$ 34,005	$ 2,607,532

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	April 3, 2010			
(In thousands)	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Money market funds	$ 138,738	$	$	$ 138,738
Bank certificates of deposit		59,996		59,996
Commercial paper		437,790		437,790
Corporate bonds		538		538
Auction rate securities			61,644	61,644
Municipal bonds		9,703		9,703
U.S. government and agency securities	49,995	71,961		121,956
Foreign government and agency securities		488,845		488,845
Floating rate notes		112,430		112,430
Mortgage-backed securities		442,199		442,199
Total assets measured at fair value	$ 188,733	$ 1,623,462	$ 61,644	$ 1,873,839
Liabilities:				
Foreign currency forward contracts (net)	$	$ 1,477	$	$ 1,477
Convertible debentures embedded derivative			848	848
Total liabilities measured at fair value	$	$ 1,477	$ 848	$ 2,325
Net assets measured at fair value	$ 188,733	$ 1,621,985	$ 60,796	$ 1,871,514

Changes in Level 3 Instruments Measured at Fair Value on a Recurring Basis

The following table is a reconciliation of all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

(In thousands)	Year Ended April 2, 2011	Year Ended April 3, 2010
Balance as of beginning of period	$ 60,796	$ 92,736
Total realized and unrealized gains (losses):		
Included in interest and other income (expense), net	(676)	262
Included in other comprehensive income (loss)	4,255	8,048
Sales and settlements, net [(1)]	(30,370)	(40,250)
Balance as of end of period	$ 34,005	$ 60,796

(1) During fiscal 2011 and 2010, the Company redeemed $20.2 million and $1.3 million of student loan auction rate securities, respectively, for cash at par value. During fiscal 2011, the Company sold $10.8 million notional value of student loan auction rate securities and realized a $580 thousand loss, and during fiscal 2010, the Company sold $20.0 million notional value of senior class asset-backed securities and realized a $1.0 million loss. Additionally, during fiscal 2010, $20.0 million notional value of senior class asset-backed securities matured at par value.

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The amount of total gains or (losses) included in net income attributable to the change in unrealized gains or losses relating to assets and liabilities still held as of the end of the period are summarized as follows:

(In thousands)	April 2, 2011	April 3, 2010	March 28, 2009
Interest and other income (expense), net	$ (97)	$ 1,262	$ 170
Impairment loss on investments			(38,006)

As of April 2, 2011, marketable securities measured at fair value using Level 3 inputs were comprised of $35.0 million of student loan auction rate securities. Auction failures and the lack of market activity and liquidity required that the Company s student loan auction rate securities be measured using observable market data and Level 3 inputs. The fair values of the Company s student loan auction rate securities were based on the Company s assessment of the underlying collateral and the creditworthiness of the issuers of the securities. Nearly all of the underlying assets that secure the student loan auction rate securities are pools of student loans originated under FFELP, which are substantially guaranteed by the U.S. Department of Education. The fair values of the Company s student loan auction rate securities were determined using a discounted cash flow pricing model that incorporated financial inputs such as projected cash flows, discount rates, expected interest rates to be paid to investors and an estimated liquidity discount. The weighted-average life over which cash flows were projected was determined to be approximately nine years, given the collateral composition of the securities. The discount rates that were applied to the pricing model were based on market data and information for comparable- or similar-term student loan asset-backed securities. The expected interest rate to be paid to investors in a failed auction was determined by the contractual terms for each security. The liquidity discount represents an estimate of the additional return an investor would require to compensate for the lack of liquidity of the student loan auction rate securities. The Company does not intend to sell, nor does it believe it is more likely than not that it would be required to sell, the student loan auction rate securities before anticipated recovery, which could be at final maturity that ranges from December 2027 to May 2046.

In March 2007, the Company issued $1.00 billion principal amount of 3.125% junior convertible debentures due March 15, 2037 (3.125% Debentures) to an initial purchaser in a private offering. As a result of repurchases in fiscal 2009, the remaining principal amount of the 3.125% Debentures as of April 2, 2011 was $689.6 million. The fair value of the 3.125% Debentures as of April 2, 2011 was approximately $791.3 million, based on the last trading price of the 3.125% Debentures for the period. The 3.125% Debentures included embedded features that qualify as an embedded derivative under authoritative guidance for derivatives instruments and hedging activities issued by the FASB. The embedded derivative was separately accounted for as a discount on the 3.125% Debentures and its fair value was established at the inception of the 3.125% Debentures. Each quarter, the change in the fair value of the embedded derivative, if any, is recorded in the consolidated statements of income. The Company uses a derivative valuation model to derive the value of the embedded derivative. Key inputs into this valuation model are the Company s current stock price, risk-free interest rates, the stock dividend yield, the stock volatility and the 3.125% Debenture s credit spread over London Interbank Offered Rate (LIBOR). The first three inputs are based on observable market data and are considered Level 2 inputs while the last two inputs require management judgment and are Level 3 inputs.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

As of April 2, 2011, the Company had non-marketable equity securities in private companies of $11.4 million (adjusted cost, which approximates fair value). The Company s investments in non-marketable securities of private companies are accounted for by using the cost method. The fair value of the Company s cost method investments is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of these investments. These investments are measured at fair value on a non-recurring basis when they are deemed to be other-than-temporarily impaired. In determining whether a decline in value of non-marketable equity investments in private companies has occurred and is other than temporary, an assessment is made by considering available evidence, including the general market conditions in the investee s industry, the investee s product development status and subsequent rounds of financing and the related valuation and/or Xilinx s participation in such

financings. The Company also assesses the investee s ability to meet business milestones, the financial condition and near-term prospects of the individual investee, including the rate at which the investee is using its cash, the investee s need for possible additional funding at a lower valuation and bona fide offers to purchase the investee from a prospective acquirer. The valuation methodology for determining the fair value of non-marketable equity securities is based on the factors noted above which require management judgment and are Level 3 inputs. The Company recognized impairment losses on non-marketable equity investments of $5.9 million, $3.8 million and $3.0 million during fiscal 2011, 2010 and 2009, respectively, due to other-than-temporary decline in the estimated fair value of certain investees and other relevant considerations.

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Note 4. Financial Instruments

The following is a summary of available-for-sale securities:

	April 2, 2011				April 3, 2010			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Money market funds	$ 275,596	$	$	$ 275,596	$ 138,738	$	$	$ 138,738
Bank certificates of deposit	89,984			89,984	59,996			59,996
Commercial paper	710,210	2	(1)	710,211	437,790			437,790
Corporate bonds	25,501	69	(4)	25,566	523	15		538
Auction rate securities	38,250		(3,300)	34,950	69,200		(7,556)	61,644
Municipal bonds	16,818	192	(52)	16,958	9,688	75	(60)	9,703
U.S. government and agency securities	206,052	38	(207)	205,883	121,991	5	(40)	121,956
Foreign government and agency securities	546,407	7	(16)	546,398	488,845			488,845
Floating rate notes	91,927	204	(1)	92,130	112,852	142	(564)	112,430
Mortgage-backed securities	598,046	8,984	(1,363)	605,667	435,375	8,643	(1,819)	442,199
	$ 2,598,791	$ 9,496	$ (4,944)	$ 2,603,343	$ 1,874,998	$ 8,880	$ (10,039)	$ 1,873,839
Included in:								
Cash and cash equivalents				$ 1,132,837				$ 936,489
Short-term investments				704,054				355,148
Long-term investments				766,452				582,202
				$ 2,603,343				$ 1,873,839

The following table shows the fair values and gross unrealized losses of the Company s investments, aggregated by investment category, for individual securities that have been in a continuous unrealized loss position for the length of time specified, as of April 2, 2011 and April 3, 2010:

	April 2, 2011					
	Less Than 12 Months		12 Months or Greater		Total	
(In thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Commerical paper	$ 44,982	$ (1)	$	$	$ 44,982	$ (1)
Corporate bonds	6,129	(4)			6,129	(4)
Auction rate securities			34,950	(3,300)	34,950	(3,300)
Municipal bonds	4,992	(42)	936	(10)	5,928	(52)
	108,464	(207)			108,464	(207)

U.S. government and agency securities						
Foreign government and agency securities	67,061	(16)			67,061	(16)
Floating rate notes	25,020	(1)			25,020	(1)
Mortgage-backed securities	178,844	(1,356)	1,094	(7)	179,938	(1,363)
	$ 435,492	$ (1,627)	$ 36,980	$ (3,317)	$ 472,472	$ (4,944)

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	April 3, 2010					
	Less Than 12 Months		12 Months or Greater		Total	
(In thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Auction rate securities	$	$	$ 61,644	$ (7,556)	$ 61,644	$ (7,556)
Municipal bonds	623	(1)	1,727	(59)	2,350	(60)
U.S. government and agency securities	109,451	(40)				