FORM 10−K

XILINX INC − XLNX

Filed: May 30, 2007 (period: March 31, 2007)

Annual report which provides a comprehensive overview of the company for the past year

Table of Contents

EX−4.2 (REGISTRATION RIGHTS AGREEMENT DATED MARCH 5)

EX−10.22 (LETTER AGREEMENT DATED FEBRUARY 26)

EX−10.23 (2007 EQUITY INCENTIVE PLAN)

EX−10.24 (FORM OF STOCK OPTION AGREEMENT UNDER 2007)

EX−10.25 (FORM OF RESTRICTED STOCK UNIT AGREEMENT)

EX−21.1 (SUBSIDIARIES OF THE COMPANY)

EX−23.1 (CONSENT OF INDEPENDENT REGISTERED PUBLIC)

EX−31.1 (CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT)

EX−31.2 (CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT)

EX−32.1 (CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT)

EX−32.2 (CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10−K

(Mark One)

☒ **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended March 31, 2007.

☐ **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 0−18548

Xilinx, Inc.

(Exact name of registrant as specified in its charter)

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

(408) 559−7778

(Registrant's telephone number, including area code)

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

None

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

Common Stock, $0.01 par value

(Title of Class)

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

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☐ NO ☒

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 requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S−K 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. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non−accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b−2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non−accelerated filer ☐

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

The aggregate market value of the voting stock held by non−affiliates of the registrant based upon the closing price of the common stock on September 30, 2006 as reported on the NASDAQ Global Select Market was approximately $4,595,143,000. 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.

At May 17, 2007, the registrant had 297,885,246 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 9, 2007 are incorporated by reference into Part III of this Annual Report on Form 10−K.

XILINX, INC.
Form 10-K
For the Fiscal Year Ended March 31, 2007

TABLE OF CONTENTS

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 in this Annual Report include, among others, those in Items 1. "Business" and 3. "Legal Proceedings" concerning our development efforts, strategy, new product introductions, backlog and litigation. These statements involve numerous known and unknown risks and uncertainties including those discussed throughout this document as well as in Item 1A. "Risk Factors." Forward−looking statements can often be identified by the use of forward−looking words, such as "may," "will," "could," "should," "expect," "believe," "anticipate," "estimate," "continue," "plan," "intend," "project" or other similar words. We disclaim any responsibility to update any forward−looking statement provided in this document.

ITEM 1. BUSINESS

Xilinx, Inc. (Xilinx or the Company) designs, develops and markets complete programmable logic solutions, including advanced integrated circuits (ICs), software design tools, predefined system functions delivered as intellectual property (IP) cores, design services, customer training, field engineering and technical support. The programmable logic devices (PLDs) include field programmable gate arrays (FPGAs) and complex programmable logic devices (CPLDs). 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 communications, industrial, 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 develops PLDs, a type of logic device. Alternatives to PLDs include custom gate arrays, application specific integrated circuits (ASICs) and application specific standard products (ASSPs). These devices all compete with each other since they may be utilized in many of the same types of applications within electronic systems. However, variations in pricing, product performance, reliability, power consumption, density, functionality, ease of use and time−to−market determine the degree to which the devices compete for specific applications.

PLDs have a primary advantage over custom gate arrays, ASICs and ASSPs in that they enable faster time−to−market with shorter design cycles. Users of PLDs can program their design directly into the PLD, using software, thereby allowing users to revise their designs relatively quickly with lower development costs. Since PLDs are programmable, they typically have a larger die size resulting in higher costs per unit compared to custom gate arrays, ASICs and ASSPs, which are customized with a fixed function during wafer fabrication. Custom gate arrays, ASICs and ASSPs, however, generally require longer fabrication lead times and higher up−front costs than PLDs.

PLDs are standard components. This means that the same device type can be sold to many different users for many different applications. As a result, the development cost of PLDs can be spread over a large number of users. Custom gate arrays, ASICs and ASSPs, on the other hand, are custom chips for an individual user for use in a specific application. This involves a high up−front cost to users. Technology advances are enabling PLD companies to reduce costs considerably, making PLDs an increasingly attractive alternative to custom gate arrays, ASICs and ASSPs.

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 Cellular Base Stations ● WiMAX
	Wireline	● Metro Area Networks ● FTTx−Passive Optical Networks ● DSL Modems
	Networking	● Multi−Service Provisioning Platform (MSPP) ● Switches ● Routers
Consumer, Automotive, Industrial and Other	Consumer	● Video Display Systems, LCD/PDP Televisions ● Digital Video Recorders/Set Top Boxes/ IPTV ● Smart Handhelds
	Industrial, Scientific and Medical	● Factory Automation ● Medical Imaging ● Test and Measurement Equipment
	Audio, Video and Broadcast	● Cable Head−end Systems ● Production Switchers ● Cameras
	Automotive	● Multimedia Systems ● GPS Navigation Systems ● Voice Recognition
	Defense and Aerospace	● Satellite Surveillance ● Radar and Sonar Systems ● Secure Communications
Data Processing	Storage	● Security and Encryption ● Network Attached Storage
	Servers	● High End Servers ● Computer Peripherals
	Office Automation	● Copiers ● Printers

Products

Integral to the future success of our business is the timely introduction of new products that address customer requirements and compete effectively with respect to price, functionality and performance. Software design tools, IP cores, technical support and design services are also critical components that enable our customers to implement their design specifications into our PLDs. Altogether, these products form a comprehensive programmable logic solution. A brief overview of these products follows. Our product families mentioned in the table below are not all−inclusive but they comprise the majority of our revenues. They are our newest product families and are currently being designed into our customers' next generation products. 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

FPGAs	Date Introduced	Densities	Process Technology	Voltage
Virtex™−5	May 2006	31K to 330K Logic Cells	65nm	1.0v
Virtex−4	June 2004	12K to 200K Logic Cells	90nm	1.2v
Virtex−II Pro	March 2002	3K to 99K Logic Cells	130nm	1.5v
Virtex−II	January 2001	576 to 104K Logic Cells	150nm	1.5v
Virtex−E	September 1999	1.7K to 73K Logic Cells	180nm	1.8v
Spartan™−3AN	February 2007	1.5K to 25.3K Logic Cells	90nm	1.2v
Spartan−3A	December 2006	1.5K to 53.1K Logic Cells	90nm	1.2v
Spartan−3E	March 2005	2.2K to 33.2K Logic Cells	90nm	1.2v
Spartan−3	April 2003	1.7K to 74.9K Logic Cells	90nm	1.2v
Spartan−IIE	November 2001	1.7K to 15.6K Logic Cells	150nm	1.8v
Spartan−II	January 2000	432 to 5.3K Logic Cells	180nm	2.5v

CPLDs	Date Introduced	Densities	Process Technology	Voltage
CoolRunner™−II	January 2002	32 to 512 Macrocells	180nm	1.8v
CoolRunner	August 1999	32 to 512 Macrocells	350nm	3.3v
XC9500XL	September 1998	36 to 288 Macrocells	350nm	3.3v

Virtex FPGAs

The Virtex−5 FPGA family consists of 15 devices and is the latest generation Virtex family and the PLD industry's first product family manufactured using 65−nanometer (nm) process technology. The Virtex−5 family consists of four platforms: LX for logic−intensive designs, LXT for high−performance logic with serial connectivity, SXT for high−performance digital signal processing (DSP) with serial connectivity and FXT for embedded processing with serial connectivity. Currently, Xilinx is shipping devices from the Virtex−5 LX platform, LXT platform and SXT platform. Compared to previous 90−nm Virtex family products, this product family offers increased performance, density and features, while reducing dynamic power consumption.

The 17 device Virtex−4 FPGA family consists of three platforms: LX, SX and FX. Virtex−4 LX FPGAs are optimized for logic−intensive designs, Virtex−4 SX FPGAs are optimized for high−performance DSP, and Virtex−4 FX FPGAs are optimized for embedded processing with serial connectivity. These platforms enable customers to select the optimal mix of resources for their particular application. Virtex−4 devices are produced on 90−nm process technology.

Prior generation Virtex families include Virtex−II Pro, Virtex−II, Virtex−E and the original Virtex family.

Spartan FPGAs

The Spartan−3 Generation FPGAs were the PLD industry's first 90−nm FPGAs and were developed as a programmable ASIC alternative for new applications in high growth end markets such as consumer, automotive and low cost networking. The Spartan−3 family is comprised of different platforms including the original Spartan 3 family, the Spartan−3E family, the Spartan−3A family, the Spartan−3AN family and the Spartan−3A DSP family. The Spartan−3E family consists of five devices and is optimized to deliver the lowest cost per logic cell. The Spartan−3A family consists of seven devices and is optimized to deliver the lowest cost per input/output (I/O). The Spartan−3AN family is a nonvolatile FPGA family consisting of five devices that are optimized for cost sensitive applications where security and board space are customer priorities. The Spartan−3A DSP family targets cost−sensitive, high−performance signal processing applications.

Prior generation Spartan families manufactured on older process geometries include Spartan−IIE, Spartan−II, Spartan XL and the original Spartan family.

EasyPath FPGAs

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, conversion engineering effort or the additional time required to move to an ASIC. EasyPath FPGAs are available for the higher density devices of the Virtex−II and Virtex−II Pro families. EasyPath FPGAs will also be available for the higher densities of the Virtex−4 and Virtex−5 families. Customers purchasing EasyPath FPGAs must meet certain minimum order requirements and pay a custom test generation charge.

CPLDs

CPLDs operate on the low end of the programmable logic density spectrum. CPLDs are single chip, nonvolatile solutions characterized by instant−on and universal interconnect.

The CoolRunner−II family is Xilinx's latest generation CPLD family with six devices shipping. CoolRunner−II CPLDs combine the advantages of ultra low power consumption with the benefits of high performance and low cost. While CoolRunner−II is suitable for a wide variety of end markets and applications, the ultra low power consumption and small package profiles of these devices have led to their acceptance in the growing portable consumer electronics marketplace.

The CoolRunner XPLA3 family was the first CPLD product to combine very low power consumption with high density and high I/O counts in a single device. This family consists of six devices.

Prior generation CPLD families include the XC9500, XC9500XL and XC9500XV which offer low cost, high performance and in−system programmability for 5.0−volt, 3.3−volt and 2.5−volt systems, respectively. These families are widely used in communications and industrial applications.

Support Products

Software Solutions

We offer complete software solutions that enable customers to implement their design specifications into our PLDs. These software design tools combine a powerful technology with a flexible, easy−to−use graphical interface to help achieve the best possible designs within each customer's project schedule, regardless of the designer's experience level. Our software design tools operate on personal computers running Microsoft Windows 2000, XP and Linux operating systems, and on workstations from Sun Microsystems running Solaris.

The Xilinx ISE™ (Integrated Software Environment) family fits a wide range of customer needs. ISE also integrates with a wide range of third−party electronic design automation (EDA) software offerings and point−tool solutions to deliver the most flexible design environment available.

All Xilinx FPGA and CPLD device families are supported by ISE, including the newest Virtex, Spartan and CoolRunner device families.

Processing Solutions

Xilinx offerings in the areas of DSP and Embedded Processing are aimed at solving system level problems of non−traditional users such as system architects and software engineers. Processing Solutions enable new growth for Xilinx beyond the PLD market segment by building and delivering a configurable processing platform, tools, and IP for specific vertical markets. Products available include LogiCORE™ IP, Connectivity Cores, MicroBlaze™ and Power PC™ processors, System Generator for DSP, AccelDSP™ architectural synthesis, Platform Studio tool and the Embedded Development Kit.

Configuration Solutions

Through our Configuration Solutions Group, Xilinx offers a range of one−time programmable and in−system programmable storage devices to configure Xilinx FPGAs. The PlatformFlash PROM (programmable read only memory) family is our newest offering. This family ranges in density from 1 to 32 megabits and offers full in−system programmability at the lowest cost per megabit of any Xilinx configuration solution. Older solutions include our XC1700 family (one−time programmable with density up to 16 megabits), and the XC1800 family (in−system programmable with density up to 4 megabits). Our PROM solutions support all of our FPGA devices.

Global Services

To extend our customers' technical capabilities and shorten their design times, we offer a portfolio of global services, which includes education, design and support services. In addition, we offer a personalized online technical resource,*www.mysupport.xilinx.com*.

Please 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 classes of products.

Research and Development

Our research and development activities are primarily directed towards the design of new ICs, the development of new software design automation tools for hardware and embedded software, the design of IP cores of logic and the adoption of advanced semiconductor manufacturing processes for ongoing cost reductions, performance and signal integrity improvements and lowering power consumption. As a result of our research and development efforts, we have introduced a number of new products during the past years including the Virtex−5 and Virtex−4 series of FPGAs, and the Spartan−3 FPGA series. Additionally, we have made major enhancements to our IP core offerings and introduced new versions of our ISE software. To support embedded processing and DSP design on our platform FPGA devices, the Platform Studio tool suite and System Generator for DSP have been further enhanced. We extended our collaboration with our foundry suppliers in the development of 90−nm and 65−nm complementary metal oxide semiconductor (CMOS) manufacturing technology and we are the first company in the PLD industry to ship 65−nm devices.

Our research and development challenge is to continue to develop new products that create cost−effective solutions for customers. In fiscal 2007, 2006 and 2005, our research and development expenses were $388.1 million, $326.1 million and $307.4 million, respectively. We believe technical leadership and innovation are essential to our future success and we are committed to continuing a significant level of research and development effort. However, there can be no assurance that any of our research and development efforts will be successful, timely or cost−effective.

Sales and Distribution

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

We use a dedicated global sales and marketing organization 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 addressing 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 legal sellers of the products and as such they bear all risks generally related to the sale of commercial goods, such as credit loss, inventory shrinkage and theft, as well as foreign currency fluctuations.

In accordance with our distribution agreements and industry practice, we have granted the 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 distributor's end customer.

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 2007, 2006 or 2005. In July 2005, two of the Company's distributors, Avnet and the Memec Group (Memec), consolidated and merged into one entity, with Avnet as the surviving company. As of March 31, 2007 and April 1, 2006, the combined Avnet/Memec entity accounted for 86% and 78% of the Company's total accounts receivable, respectively. Resale of product through this combined entity accounted for 67% of the Company's worldwide net revenues in fiscal 2007. Had this acquisition been completed for all periods presented, resale of product through this combined entity would have accounted for 70% and 76% of the Company's worldwide net revenues in fiscal 2006 and 2005, respectively. We also use other regional distributors throughout the world. From time to time, we may add or terminate distributors in specific geographies, as we deem appropriate given the level of business and their performance. 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 custom gate arrays, and they simplify the requirements for distributor technical support. See Note 2 to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for information about concentrations of credit risk. Please also see Note 14 to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for financial information about our revenues from external customers and domestic and international operations.

Backlog

As of March 31, 2007, our backlog from OEM customers and backlog from end customers reported by our distributors scheduled for delivery within the next three months was $190.0 million, compared to $223.0 million as of April 1, 2006. 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 products. Rather, we purchase wafers from multiple foundries including United Microelectronics Corporation (UMC), Toshiba Corporation (Toshiba) and Seiko Epson Corporation (Seiko). 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 our periodic negotiations with the wafer foundries.

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 leading−edge process technologies. As a result, we entered into agreements with UMC, Toshiba and Seiko as discussed below.

In September 1995, we entered into a joint venture with UMC and other parties to construct a wafer fabrication facility in Taiwan, known as United Silicon Inc. (USIC). In January 2000, as a result of the merger of USIC into UMC, our equity position in USIC was converted into shares of UMC, which are publicly traded on the Taiwan Stock Exchange. We retain monthly guaranteed wafer capacity rights in UMC as long as we retain a certain percentage of our original UMC shares. Also see Note 4 to our consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data."

In fiscal 1997, we signed a wafer purchasing agreement with Seiko that was amended in fiscal 1998, 1999 and 2000. Seiko manufactures wafers for our older, more mature product lines.

In October 2004, the Company entered into an advanced purchase agreement with Toshiba under which the Company paid Toshiba a total of $100.0 million in two equal installments for advance payment of silicon wafers produced under the agreement. The original agreement was extended to December 2007. The entire advance payment of $100.0 million is being reduced by wafer purchases from Toshiba and any unused portion is fully refundable in December 2007 if Toshiba is not able to maintain ongoing production and quality criteria or if future wafer purchases do not exceed the total amount advanced. The balance of the advance payment remaining was $40.0 million at March 31, 2007.

Sort, Assembly and Test

Wafers purchased are sorted by the foundry, independent sort subcontractors, or by Xilinx. Sorted wafers 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 tested by Xilinx personnel at our San Jose, California, Dublin, Ireland or Singapore facilities or by independent test subcontractors. We purchase most of our assembly and some of our testing services from Siliconware Precision Industries Ltd. in Taiwan and from Amkor Technology, Inc. in Korea and the Philippines.

Quality Certification

Xilinx achieved ISO 9001 quality certification in 1995 in San Jose, California, in 2001 in Dublin, Ireland and in 2004 in Longmont, Colorado, the main site for our software development efforts. In addition, Xilinx achieved ISO 14001, TL 9000 and TS 16949 environmental and quality certifications in the San Jose, Dublin and Singapore 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 March 31, 2007, we held 1,562 issued United States patents relating to our products, which vary in duration. We maintain an active program of filing for additional patents in the areas of, but not limited to, software, IC architecture, system design, testing methodologies and other technologies relating to PLDs. We intend to vigorously protect our intellectual property. We believe that failure to enforce our intellectual property rights (for example, patents, copyrights and trademarks) or to effectively protect our trade secrets could have an adverse effect on our financial condition and results of operations. In the future, we may incur litigation expenses to enforce our intellectual property rights against third parties. However, any such litigation may or may not be successful.

We have acquired various software licenses that permit us to grant sublicenses to our customers for certain third party software programs licensed with our software design tools. In addition, we have licensed certain software for internal use in product design. We are also licensed under certain third party patents and have provided some third parties licenses under Company patents.

Employees

As of March 31, 2007, we had 3,353 employees compared to 3,295 at 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 each of Xilinx's executive officers is set forth below:

Name	Age	Position
Willem P. Roelandts	62	President, Chief Executive Officer and Chairman of the Board of Directors
Patrick W. Little	44	Vice President, Worldwide Sales and Services
Iain M. Morris	50	Executive Vice President and General Manager
Jon A. Olson	53	Senior Vice President, Finance and Chief Financial Officer
Boon C. Ooi	53	Vice President, Worldwide Operations
Omid Tahernia	46	Vice President and General Manager
Sandeep S. Vij	41	Vice President, Worldwide Marketing

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

Willem P. “Wim” Roelandts joined the Company in January 1996 as Chief Executive Officer and a member of the Company’s Board of Directors. In April 1996, Mr. Roelandts was appointed to the additional position of President of the Company and he assumed the role of Chairman of the Board of Directors on August 7, 2003 upon the retirement of Bernard V. Vonderschmitt. Prior to joining the Company, he served at Hewlett−Packard Company as Senior Vice President and General Manager of Computer Systems Organizations from August 1992 through January 1996 and as Vice President and General Manager of the Network Systems Group from December 1990 through August 1992. Mr. Roelandts also serves as a director of Applied Materials, Inc.

Patrick W. Little joined the Company in March 2003 as Vice President and General Manager and was promoted in March 2005 to Vice President of Worldwide Sales. Mr. Little was promoted to his current position of Vice President, Worldwide Sales and Services in December 2005. From September 1999 to March 2003, he served as President and CEO of Believe, Inc. Mr. Little served as Executive Vice President of Sales and Marketing at Rendition, Inc. from March 1998 to September 1999. He was General Manager of the Audio Business Division of Diamond Multimedia Systems, Inc., and held various senior management positions at Trident Microsystems, Inc. and Opti, Inc., from 1992 to 1998.

Iain M. Morris joined the Company in November 2006 as Executive Vice President and General Manager. From December 2003 to May 2006, Mr. Morris was Senior Vice President at Advanced Micro Devices, Inc. with responsibility for the Digital Media and Pervasive Computing Group. From February 2001 to August 2003, Mr. Morris served at Hewlett−Packard Company, where he was Senior Vice President of Mobility and Emerging Business and President of Embedded and Personal Systems, respectively. Prior to joining Hewlett−Packard Company, he spent nearly 25 years at Motorola, Inc. serving in a variety of positions where he oversaw divisions involved with engineering, product development, marketing and direct sales.

Jon A. Olson joined the Company in June 2005 as Vice President, Finance and Chief Financial Officer. Mr. Olson was promoted to his current position of Senior Vice President, Finance and Chief Financial Officer in August 2006. He has overall responsibility for worldwide finance, tax, business and strategy development, information technology, treasury and investor relations and administrative responsibility for internal audit. Prior to joining the Company, Mr. Olson spent more than 25 years at Intel Corporation serving in a variety of positions, including Vice President, Finance and Enterprise Services, Director of Finance.

Boon C. Ooi joined the Company in November 2003 as Vice President, Worldwide Operations. He has overall responsibility for worldwide manufacturing, testing, assembly engineering and supply chain management for Xilinx programmable logic devices. Mr. Ooi also oversees strategic management of the Company’s semiconductor foundry and packaging suppliers. Prior to joining the Company, Mr. Ooi spent more than 25 years at Intel Corporation serving in a variety of positions, including Vice President of the Corporate Technology Group and Director of Operations.

Omid Tahernia joined the Company in August 2004 as Vice President and General Manager. Prior to joining the Company, Mr. Tahernia worked at Motorola, Inc. for over 20 years in both the equipment and semiconductor segments. From January 1999 to May 2003, he served at Motorola Semiconductor as Vice President and General Manager of the Wireless and Mobile Systems Division driving chipset platforms including baseband processors and from May 2003 to June 2004 as Vice President and Director of Worldwide Strategy and Business Development for the Wireless Group. Previously, Mr. Tahernia held various management positions in Motorola’s Paging Division.

Sandeep S. Vij joined the Company in April 1996 as Director, FPGA Marketing and was promoted to Vice President, Marketing and General Manager in October 1996. Mr. Vij assumed his current position of Vice President, Worldwide Marketing in July 2001. From 1990 until April 1996, he served at Altera Corporation in a variety of marketing roles. Mr. Vij also serves as a director of Coherent Inc.

Additional Information

Our Internet address is*www.xilinx.com*. 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 Securities Exchange Act of 1934 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. Further, a copy of this Annual Report on Form 10−K is located at the SEC’s Public Reference Room at 450 Fifth Street, NW, 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 14 to our consolidated financial statements, included in Item 8. “Financial Statements and Supplementary Data.”

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 ones the Company faces. 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.

The semiconductor industry is characterized by rapid technological change, intense competition and cyclical market patterns which contribute to create factors that may affect our future operating results including:

Market Demand

- increased dependence on turns orders (orders received and shipped within the same fiscal quarter);
- limited visibility of demand for products, especially new products;
- reduced capital spending by our customers;
- weaker demand for our products or those of our customers due to a prolonged period of economicuncertainty;
- excess inventory at Xilinx and within the supply chain including overbuilding of OEM products;
- additional excess and obsolete inventories and corresponding write−downs due to a significant deteriorationin demand;
- inability to manufacture sufficient quantities of a given product in a timely manner;
- inability to obtain manufacturing or test and assembly capacity in sufficient volume;
- inability to predict the success of our customers’ products in their markets;
- an unexpected increase in demand resulting in longer lead times that causes delays in customer productionschedules;
- dependence on the health of the end markets and customers we serve;

Competitive Environment

- price and product competition, which can change rapidly due to technological innovation;
- customers converting to ASIC or ASSP designs from Xilinx PLDs;
- faster than normal erosion of average selling prices;
- timely introduction of new products and ability to manufacture in sufficient quantities at introduction;

Technology

- lower gross margins due to product or customer mix shifts and reduced manufacturing efficiency;
- failure to retain or attract specialized technical/management personnel;
- timely introduction of advanced manufacturing technologies;
- ability to safeguard the Company’s products from competitors by means of patents and other intellectualproperty protections;
- impact of new technologies which result in rapid escalation of demand for certain products withcorresponding declines in demand for others;
- ability to successfully manage multiple vendor relationships;

Other

- changes in accounting pronouncements;
- dependence on distributors to generate sales and process customer orders;
- disruption in sales generation, order processing and logistics if a distributor materially defaults on acontract;
- impact of changes to current export/import laws and regulations;

- volatility of the securities market, particularly as it relates to the technology sector;
- unexpected product quality issues;
- global events impacting the world economy or specific regions of the world;
- increase in the cost of natural resources;
- parts shortages at our suppliers;
- failure of information systems impacting financial reporting;
- catastrophes that impact the ability of our supply chain to operate or deliver product; and
- higher costs associated with multiple foundry relationships.

We attempt to identify changes in market conditions as soon as possible; however, the dynamics of the market make prediction of and timely reaction to such events difficult. Due to these and other factors, our past results, including those described in this report, are much less reliable predictors of the future than with companies in many older, more stable and mature industries. Based on the factors noted herein, we may experience substantial fluctuations in future operating results.

Our results of operations are impacted by global economic and political conditions, dependence on new products, dependence on independent manufacturers and subcontractors, competition, intellectual property, potential effect of new accounting pronouncements, financial reporting and internal controls environment and litigation, each of which is discussed in greater detail below.

Potential Effect of Global Economic and Political Conditions

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 and by changes in foreign currency exchange rates affecting those countries. For example, we have sales and operations in the Asia Pacific region, Japan and Europe. Past economic weakness in these markets adversely affected revenues, and such conditions may occur in the future. 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 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. Any or all of these factors could adversely affect our financial condition and results of operations in the future.

Our financial condition and results of operations are increasingly dependent on the global economy. Any instability in worldwide economic environments occasioned, for example, by political instability or terrorist activity could impact economic activity and could lead to a contraction of capital spending by our customers. Additional risks to us include U.S. military actions, changes in U.S. government spending on military and defense activities impacting defense−associated sales, economic sanctions imposed by the U.S. government, government regulation of exports, imposition of tariffs and other potential trade barriers, reduced protection for intellectual property rights in some countries, rising oil prices and generally longer receivable collection periods. 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.

Dependence on New Products

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 (design wins);
- availability of specialized field application engineering resources supporting demand creation andcustomer adoption of new products;
- ability to utilize advanced manufacturing process technologies on circuit geometries of 65nm andsmaller;
- achieving acceptable yields;
- ability to obtain adequate production capacity from our wafer foundries and assembly subcontractors;
- ability to obtain advanced packaging;

- availability of supporting software design tools;
- utilization of predefined IP cores of logic;
- customer acceptance of advanced features in our new products; and
- successful deployment of electronic systems by our customers.

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.

Dependence on Independent Manufacturers and Subcontractors

During fiscal 2007, nearly all of our wafers were manufactured either in Taiwan, by UMC or in Japan, by Toshiba or Seiko. 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. We are dependent on these foundries, especially UMC, which supplies the substantial majority of our wafers. We rely on UMC to produce wafers with competitive performance and cost attributes. These attributes include an ability 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. In addition, greater demand for wafers produced by the foundries without an offsetting increase in foundry capacity, raises the likelihood of potential wafer price increases and wafer shortages.

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. Should there be a major earthquake in our suppliers' or our operating locations in the future, our operations, including our manufacturing activities, may be disrupted. This type of disruption could result in our inability to ship products in a timely manner, thereby materially adversely affecting our financial condition and results of operations. Additionally, disruption of operations at these foundries for any reason, including other natural disasters such as 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.

We are also dependent on subcontractors to provide semiconductor assembly, test and shipment services. Any prolonged inability to obtain wafers with competitive performance and cost attributes, adequate yields or timely delivery, unavailability of or 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 demand reducing net sales and negatively impacting our financial condition and results of operations.

Competition

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 and Actel Corporation, from the ASIC market, which has been ongoing since the inception of FPGAs, from the ASSP market, and from new companies that may enter the traditional programmable logic market segment. We believe that important competitive factors in the logic 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;
- functionality of predefined IP cores of logic;
- inventory 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 price reductions proportionate with our ability to lower the cost for established products. However, we may not be successful in achieving these strategies.

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 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 enter the PLD segment. 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 the market 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 the PLD market segment.

We could also face competition from our licensees. We have granted limited rights to other companies with respect to certain of our older technology which may enable them to manufacture and market products which may be competitive with some of our older products. For example, in July 2001, in connection with a settlement of patent litigation with Altera, we entered into a royalty−free patent cross license agreement which terminated in July 2006.

Intellectual Property

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, circumvented or challenged. From time to time, third parties, including our competitors, have asserted patent, copyright and other intellectual property rights to technologies that are important to us. Third parties may assert infringement claims against us in the future; assertions by third parties may result in costly litigation and we may not prevail in such litigation or be able to license any valid and infringed patents from third parties on commercially reasonable terms. Litigation, regardless of its outcome, could result in substantial costs and diversion of our resources. Any infringement claim or other litigation against us or by us could materially adversely affect our financial condition and results of operations.

Considerable Number of Common Shares Subject to Future Issuance

As of March 31, 2007, we had 2.00 billion authorized common shares, of which 295.9 million shares were outstanding. In addition, 99.7 million common shares were reserved for issuance pursuant to employee stock option and employee stock purchase plans (Equity Plans), and 32.1 million shares were reserved for issuance upon conversion or repurchase of the 3.125% junior subordinated convertible debentures (debentures). The availability of substantial amounts of our common shares resulting from the exercise or settlement of equity awards outstanding under our Equity Plans or the conversion or repurchase of debentures using common shares, which would be dilutive to existing security holders, 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.

Potential Effect of New Accounting Pronouncements

There may be potential new accounting pronouncements or regulatory rulings, which may have an impact on our future financial condition and results of operations. For example, the accounting method for convertible debt securities with net share settlement, such as our debentures, may be subject to change. Under the accounting rules currently in effect, for the purpose of calculating diluted net income per common share, a convertible debt security providing for net share settlement of the conversion value and meeting specified requirements under applicable accounting rules, is accounted for interest expense purposes similarly to non−convertible debt. As a result, stated coupon constituting interest expense and any shares issuable upon conversion of the debt security would be accounted for under the treasury stock method. The effect of the treasury stock method is that the shares potentially issuable upon conversion of the debentures are not included in the calculation of our diluted net income per common share except to the extent that the conversion value of the debentures exceeds their principal amount, in which event the number of shares of our common stock necessary to settle the conversion are treated as having been issued for diluted net income per common share purposes.

The accounting method for net share settled convertible securities is currently under consideration by the Emerging Issues Task Force (EITF) of the Financial Accounting Standards Board (FASB). Under consideration is a proposed method for accounting for net share settled convertible securities under which the debt and equity components of the security would be bifurcated and accounted for separately. We cannot predict the outcome of this process or any other changes in generally accepted accounting principles (GAAP) that may affect accounting for convertible debt securities. Any change in the accounting method for convertible debt securities could have an adverse impact on our financial results. These impacts could adversely affect the trading price of our common stock and in turn negatively impact the trading price of the debentures.

Please see Note 11 to our consolidated financial statements, included in Item 8. “Financial Statements and Supplementary Data,” for additional information about the debentures. Please also see Note 2 to our consolidated financial statements, included in Item 8. “Financial Statements and Supplementary Data,” for additional information about recent accounting pronouncements.

Financial Reporting and Internal Controls Environment

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. Further, our internal control effectiveness may be impacted if we are unable to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies.

Litigation

See Item 3. “Legal Proceedings.”

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our corporate offices, which include the administrative, sales, customer support, marketing, research and development 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. 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 also have a 106,000 square foot leased facility in San Jose which we do not occupy and which is presently listed for subleasing.

In addition, 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 manufacturing and testing of our products, service and support for our customers in Europe, research and development and information technology (IT) support.

In April 2004, we entered into a sublease on a 15,000 square foot facility in Singapore, which serves as our Asia Pacific regional headquarters. Subsequent to this sublease, in late 2004 and in 2005, we subleased an additional 15,000 square feet of office space and test floor area in the same facility. 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 research and development. In November 2005, Xilinx made an investment commitment of $37.0 million for a new building in Singapore. Construction commenced on schedule in November 2005 and the project is expected to be completed in June 2007. Once completed, the new building is expected to have 222,000 square feet of available space.

We also 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 research and development, manufacturing and quality control. In addition, we also 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 short−term lease agreements and partially used by the Company.

We own a 45,000 square foot facility in Albuquerque, New Mexico which is used for the development of our CoolRunner CPLD product families as well as IP cores. We lease office facilities for our engineering design centers in Austin, Texas, Grenoble, France and Edinburgh, Scotland.

We also lease sales offices in various locations throughout North America, which include the metropolitan areas of Chicago, Dallas, Denver, Los Angeles, Nashua, Ottawa, Raleigh, San Diego, San Jose 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.

ITEM 3. LEGAL PROCEEDINGS

Internal Revenue Service

The Internal Revenue Service (IRS) audited and issued proposed adjustments to the Company for fiscal 1996 through 2001. The Company filed petitions with the Tax Court in response to assertions by the IRS relating to fiscal 1996 through 2000. To date, all issues have been settled with the IRS except as described in the following paragraph.

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 the Company that no amount for stock options was to be included in the cost sharing agreement, and thus, the Company had no tax, interest, or penalties due for this issue. The decision was entered by the Tax Court on May 31, 2006. On August 25, 2006, the IRS appealed the decision to the U.S. Court of Appeal for the Ninth Circuit. The IRS and the Company have each filed briefs. The briefing is now complete and the parties are waiting for the U.S. Court of Appeal for the Ninth Circuit to set a date for oral arguments.

Other than as stated above, we know of no legal proceedings contemplated by any governmental authority or agency against the Company.

Patent Litigation

On October 17, 2005, a patent infringement lawsuit was filed by Lizy K. John (John) against Xilinx in the U.S. District Court for the Eastern District of Texas, Marshall Division. John sought an injunction, unspecified damages and attorneys' fees.

On November 27, 2006, the Company settled the patent infringement lawsuit with John, under which the Company agreed to pay $6.5 million. John agreed to dismiss the patent infringement lawsuit with prejudice, granted a patent license to the Company and executed an agreement not to sue the Company under any patent owned or controlled by John for ten years. See Note 15 to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for additional information.

SEC Informal Inquiry

On June 22, 2006, the Company received notice from the SEC advising that the SEC had commenced an informal inquiry into the Company's historical stock option−granting practices. The notice included an informal request for documents. Based on the results of the investigation performed by outside counsel at the direction of a Special Committee of the Board of Directors and the Company's analysis of the facts, the Company took a $2.2 million charge to its earnings for the first quarter of fiscal 2007. The charge was based on the difference between recorded grant dates and measurement dates in certain stock option grants between 1997 and 2006. The investigation found no evidence of fraud in the Company's practices in granting of stock options, nor any evidence of manipulation of the timing or exercise price of stock option grants. The investigation further found no issues of management

integrity in the issuance of stock options. The investigation determined that in nearly all cases, stock options were issued as of pre−set dates. The Special Committee and the Board of Directors declared the investigation to be concluded.

On November 28, 2006, the SEC formally notified the Company that its investigation of the Company's stock option granting practices was terminated and that no enforcement action was recommended.

Stockholder Derivative Lawsuits

On June 2, 2006, a Xilinx stockholder filed a derivative complaint in the U.S. District Court for the Northern District of California (*Murphy v. Roelandts et al*., Case No. C 06 3564 RMW), purportedly on behalf of the Company, against members of the Company's Board of Directors and against certain of the Company's officers. The complaint alleged, among other things, that defendants mismanaged corporate assets and breached their fiduciary duties between 1998 and the date of filing by authorizing or failing to halt the backdating of certain stock options. The complaint also alleged that the officer defendants were unjustly enriched by their receipt and retention of the backdated stock option grants and that the Company issued false and misleading proxy statements in fiscal 2002 and 2003.

On June 28, 2006, a second Xilinx stockholder filed a separate, but substantially similar, derivative complaint in the U.S. District Court for the Northern District of California (*Blum v. Roelandts et al*., Case No. C 06 4016 JW), purportedly on behalf of the Company, against members of the Company's Board of Directors and against certain of the Company's officers. The complaint alleged, among other things, that defendants mismanaged corporate assets and breached their fiduciary duties between 1998 and the date of filing by authorizing or failing to halt the backdating of certain stock options. The complaint also alleged that defendants were unjustly enriched by the receipt and retention of the backdated stock option grants and that certain of the defendants sold Xilinx stock for a profit while in possession of material, non−public information. The complaint also alleged that the Company issued false and misleading financial disclosures and proxy statements from fiscal 1998 through 2006. In addition, the complaint alleged that defendants engaged in a fraudulent scheme to divert millions of dollars to themselves via improper option grants.

The two stockholder derivative complaints were consolidated into one stockholder derivative case. On January 8, 2007, the consolidated stockholder derivative case was dismissed by the U.S. District Court for the Northern District of California.

Other Matters

From time to time, we are involved in various disputes and litigation matters that arise in the ordinary course of business. These include disputes and lawsuits related to intellectual property, mergers and acquisitions, licensing, contract law, distribution arrangements and employee relations matters. Periodically, we review the status of each significant 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.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

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 3, 2007, there were approximately 1,012 stockholders of record. Since many holders' shares are listed under their brokerage firms' names, the actual number of stockholders is estimated by the Company to be over 110,000.

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:

	Fiscal2007		Fiscal2006	
	High	Low	High	Low
First Quarter	$29.31	$22.31	$29.96	$25.48
Second Quarter	23.31	19.60	29.09	25.68
Third Quarter	28.25	22.14	28.14	21.94
Fourth Quarter	26.60	22.97	29.79	24.92

Dividends Declared Per Common Share

	Fiscal 2007	Fiscal 2006
First Quarter	$0.09	$0.07
Second Quarter	0.09	0.07
Third Quarter	0.09	0.07
Fourth Quarter	0.09	0.07

On February 26, 2007, our Board of Directors approved an increase to our quarterly common stock dividend for the first quarter of fiscal 2008 from $0.09 per common share to $0.12 per common share. The dividend is payable on May 30, 2007 to stockholders of record at the close of business on May 9, 2007.

Issuer Purchases of Equity Securities

The following table summarizes the Company's repurchase of its common stock during the fourth quarter of fiscal 2007. See Note 12 to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data" for information regarding our stock repurchase plans.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
		(In thousands, except per share amounts)		
December 31, 2006 to February 3, 2007	4,109	$24.34	4,109	$173,888
February 4 to March 3, 2007	27,647	$27.13(1)	27,647	$923,888
March 4 to March 31, 2007	6,950	$25.90	6,950	$743,888
Total for the Quarter	38,706	$26.61	38,706	

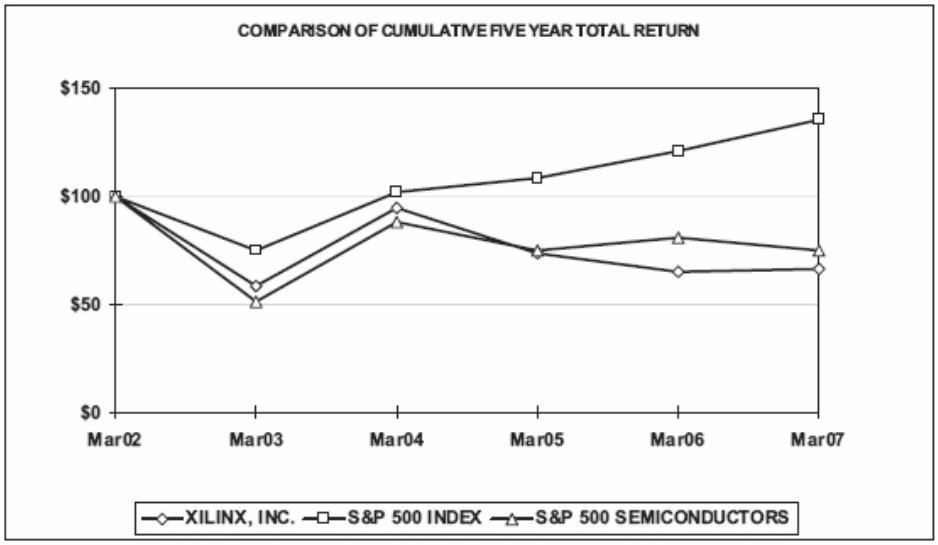
(1) Under the terms of the accelerated share repurchase program (ASR) entered into during the fourth quarter of fiscal 2007, the Company paid $700.0 million upfront in exchange for a minimum number of shares of its common stock, which were delivered to the Company before the fiscal year end. The $700.0 million was recorded in stockholders' equity in fiscal 2007. Upon completion of the ASR, the Company may receive up to an additional 1.9 million shares in either the first or second quarter of fiscal 2008, depending on the volume weighted−average price, during an averaging period, less a specified discount. If additional shares are received in either the first or second quarter of fiscal 2008, a reclassification adjustment will be recorded within stockholders' equity in that period.

During the fourth quarter of fiscal 2007, the Company repurchased a total of 38.7 million shares of its common stock for $1.03 billion, including 10.6 million shares for $273.9 million that completed its $600.0 million repurchase program announced on February 13, 2006. On February 26, 2007, we announced a further repurchase program of

up to an additional $1.50 billion of common stock. Through March 31, 2007, the Company had repurchased $756.1 million of the $1.50 billion of common stock approved for repurchase under the February 2007 authorization. These share repurchase programs have no stated expiration date.

Company Stock Price Performance

The following chart shows a comparison of cumulative total return for the Company's 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). The total stockholder return assumes $100 invested on March 31, 2002 in Xilinx, Inc. common stock, the S&P 500 Index and the S&P 500 Semiconductors and assumes all dividends are reinvested.



	Base Period	Indexed Returns Years Ended				
Company / Index	Mar02	Mar03	Mar04	Mar05	Mar06	Mar07
Xilinx, Inc.	**100**	58.73	94.73	73.81	64.95	66.58
S&P 500 Index	**100**	75.24	101.66	108.47	121.19	135.52
S&P 500 Semiconductors	**100**	51.56	88.45	74.98	81.20	74.97

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

Additional information required by this item is incorporated by reference to the table set forth in Item 12. "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters."

ITEM 6. SELECTED FINANCIAL DATA

Consolidated Statement of Income Data
Five years ended March 31, 2007
(In thousands, except per share amounts)

	2007(1)	2006(2)	2005(3)	2004(4)	2003(5)
Net revenues	$1,842,739	$1,726,250	$1,573,233	$1,397,846	$1,155,977
Operating income (6)	347,767	412,062	372,040	327,135	155,669
Income before income taxes (6)	431,146	456,602	400,544	350,544	169,872
Provision for income taxes	80,474	102,453	87,821	47,555	44,167
Net income	350,672	354,149	312,723	302,989	125,705
Net income per common share:					
Basic	$ 1.04	$ 1.01	$ 0.90	$ 0.89	$ 0.37
Diluted	$ 1.02	$ 1.00	$ 0.87	$ 0.85	$ 0.36
Shares used in per share calculations:					
Basic	337,920	349,026	347,810	341,427	337,069
Diluted	343,636	355,065	358,230	354,551	348,622
Cash dividends declared per common share	$ 0.36	$ 0.28	$ 0.20	$ —	$ —

(1) Income before income taxes includes a charge of $5,934 related to an impairment of a leased facility that the Company no longer intends to occupy, a loss related to litigation settlements and contingencies 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 the Company's UMC investment.

(2) Income before income taxes includes a loss related to litigation settlements and contingencies of $3,165, a write−off of acquired in−process research and development of $4,500 related to the acquisition of AccelChip, Inc. (AccelChip) and an impairment loss on investments of $1,418.

(3) Income before income taxes includes a write−off of acquired in−process research and development of $7,198 related to the acquisition of Hier Design Inc. (HDI) and impairment loss on investments of $3,099.

(4) Income before income taxes includes an impairment loss on excess facilities of $3,376, a loss related to litigation settlements and contingencies of $6,400 and a write−off of acquired in−process research and development of $6,969 related to the acquisition of Triscend Corporation (Triscend). Net income includes a $34,418 reduction in taxes associated with an IRS tax settlement.

(5) Income before income taxes includes an impairment loss on excess facilities and equipment of $54,691 and impairment loss on investments of $10,425.

(6) The Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 123(R), "Share−Based Payment" (SFAS 123(R)) in fiscal 2007. Results for prior fiscal years do not include the effects of stock−based compensation (see Notes 2 and 3 to our consolidated financial statements in Item 8: "Financial Statements and Supplementary Data").

Consolidated Balance Sheet Data
Five years ended March 31, 2007
(In thousands)

	2007	2006	2005	2004	2003
Working capital	$1,396,733	$1,303,224	$1,154,163	$ 955,878	$ 883,322
Total assets	3,179,355	3,173,547	3,039,196	2,937,473	2,421,676
Convertible debentures	999,597	—	—	—	—
Other long−term liabilities	1,320	7,485	—	—	—
Stockholders' equity	1,772,740	2,728,885	2,673,508	2,483,062	1,950,739

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 the Company's 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. Forward−looking statements can often be identified by the use of forward−looking words, such as "may," "will," "could," "should," "expect," "believe," "anticipate," "estimate," "continue," "plan," "intend," "project" or other similar words. We disclaim any responsibility to update any forward−looking statement provided in this document.

Nature of Operations

We design, develop and market complete programmable logic solutions, including advanced ICs, software design tools, predefined system functions delivered as IP cores, design services, customer training, field engineering and technical support. Our PLDs include FPGAs and CPLDs. 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 communications, industrial, 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 expenses, and selling, general and administrative 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

The Company's short−term and long−term investments include marketable debt and equity securities and non−marketable equity securities. At March 31, 2007, the Company had debt securities with a fair value of $1.69 billion, an equity investment in UMC, a publicly−held Taiwanese semiconductor wafer manufacturing company, of $67.0 million, and strategic investments in non−marketable equity securities of $18.0 million (adjusted cost).

The fair values for marketable debt and equity securities are based on quoted market prices. In determining if and when a decline in market value below adjusted cost of marketable debt and equity securities is other−than−temporary, the Company evaluates quarterly the market conditions, trends of earnings, financial condition and other key measures for our investments. Xilinx adopted the provisions of FASB Staff Position (FSP) No. FAS 115−1, "The Meaning of Other−Than−Temporary Impairment and Its Application to Certain Investments (FSP

115−1),” on January 1, 2006. Beginning in the fourth quarter of fiscal 2006, we assessed other−than−temporary impairment of debt and equity securities in accordance with FSP 115−1. We have not recorded any other−than−temporary impairment for marketable debt and equity securities for fiscal 2007, 2006 or 2005.

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 and the investee’s need for possible additional funding at a lower valuation. 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.

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 distributor’s end customers. For fiscal 2007, approximately 86% 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 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 we have a legally enforceable right to collection under normal payment terms.

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 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 8% 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.

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 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.

Goodwill

As required by SFAS No. 142, "Goodwill and Other Intangible Assets" (SFAS 142), 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 under SFAS 142, 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 2007, there was no impairment of goodwill in fiscal 2007. Unless there are indicators of impairment, our next impairment review for goodwill will be performed and completed in the fourth quarter of fiscal 2008. 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.

On November 10, 2005, the FASB issued FSP No. FAS 123(R)−3, "Transition Election Related to Accounting for the Tax Effects of Share−Based Payment Awards" (FSP 123(R)−3). The Company has elected to adopt the alternative transition method provided in FSP 123(R)−3 for calculating the tax effects of stock−based compensation pursuant to SFAS 123(R). The alternative transition method includes simplified methods to establish the beginning balance of the APIC pool related to the tax effects of employee stock−based compensation, and to determine the subsequent impact on the APIC pool and consolidated statements of cash flows of the tax effects of employee stock−based compensation awards that are outstanding upon adoption of SFAS 123(R).

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109 (FIN 48)." The provisions are effective beginning in the first quarter of fiscal 2008. See Note 2 to our consolidated financial statements included in Item 8, "Financial Statements and Supplementary Data".

Stock−Based Compensation

In the first quarter of fiscal 2007, we adopted SFAS 123(R), which requires the measurement at fair value and recognition of compensation expense for all stock−based payment awards. Total stock−based compensation during fiscal 2007 related to the adoption of SFAS 123(R) was $90.3 million, excluding one−time expense of $2.2 million relating to prior years under the provisions of Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," (APB 25) and related interpretations.

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 the Company's 1990 Employee Qualified Stock Purchase Plan (Employee Stock Purchase Plan), consistent with the provisions of SFAS 123(R). 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 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 the Company, 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 were extrapolated to match the expected term of the employee options granted by the Company, 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, SFAS 123(R) requires us to develop 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 effect of forfeiture adjustments in fiscal 2007 was insignificant. 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:

	2007	2006	2005
Net Revenues	**100.0%**	**100.0%**	**100.0%**
Cost of revenues	39.0	38.1	36.6
Gross Margin	**61.0**	**61.9**	**63.4**
Operating Expenses:			
Research and development	21.1	18.9	19.6
Selling, general and administrative	20.4	18.3	19.3
Amortization of acquisition−related intangibles	0.4	0.4	0.4
Litigation settlements and contingencies	0.1	0.2	0.0
Stock−based compensation related to prior years	0.1	0.0	0.0
Write−off of acquired in−process research and development	0.0	0.2	0.5
Total operating expenses	42.1	38.0	39.8
Operating Income	**18.9**	**23.9**	**23.6**
Impairment loss on investments	(0.1)	(0.1)	(0.2)
Interest and other, net	4.6	2.6	2.0
Income Before Income Taxes	**23.4**	**26.4**	**25.4**
Provision for income taxes	4.4	5.9	5.5
Net Income	**19.0%**	**20.5%**	**19.9%**

Net Revenues

	2007	Change	2006	Change	2005
			(In thousands)		
Net revenues	$1,842,739	7%	$1,726,250	10%	$1,573,233

The increase in net revenues to $1.84 billion in fiscal 2007 was due to strong demand for our New Products and growth in the Consumer and Automotive and Industrial and Other end markets. The increase in net revenues in fiscal 2006 was a result of improved market conditions as compared to fiscal 2005 and continued strong customer demand for our New Products, primarily in the Communications and Industrial and Other end markets. See “Net Revenues by Product” and “Net Revenues by End Markets” for more information on our product and end−market categories.

The increases in net revenues in fiscal 2007 and 2006 resulted from increased unit sales, partially offset by normal declines in average unit selling prices. No end customer accounted for more than 10% of net revenues for any of the periods presented

Net Revenues by Product

We classify our product offerings into four categories: New, Mainstream, Base and Support Products. These product categories, excluding Support Products, are modified on a periodic basis to better reflect advances in technology. The most recent adjustment was made on July 2, 2006, which was the beginning of our second quarter of fiscal 2007. Amounts for the prior periods presented have been reclassified to conform to the new categorization. New Products, as currently defined, include our most recent product offerings and include the Virtex™−5, Virtex−4, Spartan™−3, and CoolRunner™−II products. Mainstream Products include the Virtex−II, Spartan−II, CoolRunner and Virtex−E products. Base Products consist of our mature product families and include the Virtex, Spartan, XC4000 and XC9500 products. Support Products make up the remainder of our product offerings and include configuration solutions (serial PROMs), software, IP cores, customer training, design services and support.

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

	2007	% of Total	% Change	2006	% of Total	% Change	2005	% of Total
	(In millions)							
New Products	$ 416.8	23	102	$ 206.4	12	391	$ 42.1	3
Mainstream Products	1,004.2	54	(4)	1,049.6	61	2	1,029.0	65
Base Products	317.2	17	(14)	367.3	21	(8)	399.2	25
Support Products	104.5	6	2	102.9	6	0	102.9	7
Total Net Revenues	$ 1,842.7	100	7	$ 1,726.2	100	10	$ 1,573.2	100

New Products continue to lead our revenue growth across a broad base of end markets. New Products consist primarily of our 65−nm, high−performance and high−density Virtex−5 families and our 90−nm products, which include the Virtex−4 families, and our high−volume, low−cost Spartan−3 families. These products, along with our CoolRunner II family of CPLDs, contributed to the majority of the revenue growth in New Products in fiscal 2007. We expect that sales of New Products will continue to increase over time as more customers' programs go into volume production with our 65−nm and 90−nm products. The increase in net revenues from New Products for fiscal 2006 compared to fiscal 2005 was due to increased unit sales resulting from the market acceptance of our Virtex−4 and Spartan−3 families across a broad base of applications end markets.

Net revenues from Mainstream Products declined 4% in fiscal 2007 primarily due to reduced sales of some of our older products manufactured using 150−nm and 180−nm process technologies including Spartan−II, Virtex−E and Virtex−II. The decrease in net revenues for this product category resulted from both a decline in units sold as well as in average selling prices. In fiscal 2006, Mainstream Products increased 2% because many customer designs using Virtex−II Pro were going into production.

The decline in Base Products in fiscal 2007 and 2006 was expected because the average selling price continues to decline as products within this category mature and approach end of life.

Net revenues from Support Products increased in fiscal 2007 due to a modest increase in sales from our software products at the beginning of the fiscal year. Net revenues from Support Products were virtually unchanged in fiscal 2006.

Net Revenues by End Markets

Our end market revenue data is derived from our understanding of our end customers' primary markets. In order to better reflect our diversification efforts and to provide more detailed end market information, we split the category formerly called "Consumer, Industrial and Other" into two components: "Industrial and Other" and "Consumer and Automotive" beginning with the quarter ended January 1, 2005. We will begin to show historical comparisons of the two new categories when information is available for all periods presented. Beginning with the quarter ended September 30, 2006, we changed the name of the "Storage and Servers" category to "Data Processing" to more accurately depict the type of applications found in this category.

As a result, we classify our net revenues by end markets into four categories: Communications, Industrial and Other, Consumer and Automotive, and Data Processing. Since historical comparisons of the two new categories are not available for all periods presented, we combined them in the table below to show their aggregated changes over the three fiscal years. 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:

	2007	% Change in Dollars	2006	% Change in Dollars	2005
	(% of total net revenues)				
Communications	45%	(1)	49%	7	50%
Consumer, Automotive, Industrial and Other	45	21	40	21	36
Data Processing	10	(10)	11	(10)	14
Total Net Revenues	100%	7	100%	10	100%

Net revenues from Communications decreased slightly in fiscal 2007 from the prior year period. The increase in net revenues from wireless communications applications was offset by a decline in wired telecommunications applications. Wired communications applications were weak for most of the year due to an OEM inventory correction. In fiscal 2006, the Communications end market was driven by increases in both wireline and wireless applications compared to fiscal 2005.

The increase in net revenues from the categories of Consumer, Automotive, Industrial and Other in fiscal 2007 and fiscal 2006 was primarily driven by broad based strength across all applications, including defense, industrial, scientific and medical, test and measurement, consumer, automotive and audio/video broadcast.

Net revenues from Data Processing declined in fiscal 2007 and fiscal 2006 due to weakness in the storage business with selected customer programs migrating to lower cost alternatives.

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:

	2007	% of Total	% Change	2006	% of Total	% Change	2005	% of Total
				(In millions)				
North America	$ 731.3	40	2	$ 714.9	41	9	$ 655.1	42
Asia Pacific	466.6	25	15	406.7	24	11	367.9	23
Europe	426.9	23	21	352.8	20	8	326.1	21
Japan	217.9	12	(13)	251.8	15	12	224.1	14
Total Net Revenues	$1,842.7	100	7	$1,726.2	100	10	$1,573.2	100

Net revenues in North America increased in fiscal 2007 with the majority of the increase coming from the Industrial and Other end markets, particularly defense applications. The fiscal 2006 increase was driven primarily by strength in Communications and Industrial and Other end markets.

Net revenues in Asia Pacific increased in fiscal 2007 and fiscal 2006 due to increased sales from communications and consumer applications as well as continued outsourcing of manufacturing operations to the Asia Pacific region by some of our larger OEM customers.

Net revenues in Europe increased in fiscal 2007 and fiscal 2006 with the majority of the increase coming from the Communications and Industrial and Other end markets, particularly wireless infrastructure and test and measurement applications.

Net revenues in Japan declined in fiscal 2007 primarily due to a weakened telecommunications infrastructure market during the year, after the modest growth that we experienced in the wireless telecommunications market for most of fiscal 2006.

Gross Margin

	2007	Change	2006	Change	2005
			(In thousands)		
Gross Margin	$1,124,096	5%	$1,069,131	7%	$996,949
% of Net Revenues	61.0 %		61.9 %		63.4 %

Gross Margin declined from 61.9% to 61.0% during fiscal 2007 compared to the same period last year. The decline was partially due to the effect of stock−based compensation expense of $10.3 million resulting from our adoption of SFAS 123(R) effective April 2, 2006. Stock−based compensation expense was zero for fiscal 2006 and 2005. In addition, the impact of the production ramp of our 90−nm process, and the significant growth in the New Products category also contributed to the decline of gross margin. New Products represented 23% of net revenues in fiscal 2007 compared to 12% of net revenues in the comparable prior year period and doubled in fiscal 2007. New Products generally have lower gross margins than Mainstream and Base Products in the early product life cycle due to higher unit costs resulting from lower yields. The gross margin decline of 1.5 percentage points for fiscal 2006, compared to fiscal 2005, was due to a significant shift in product mix towards 130−nm and 90−nm

products, which accounted for a significant year−over−year growth over fiscal 2005 in sales from our New Products category. Additionally, sales from Mainstream and Base Products, which have higher gross margins than New Products, declined.

Gross margin may be adversely affected in the future due to product−mix shifts, competitive−pricing pressure, manufacturing−yield issues and wafer pricing. We expect to mitigate these risks by continuing to improve yields on our New Products and by improving manufacturing efficiency with our suppliers.

Sales of inventory previously written off were not material during fiscal 2007, 2006 or 2005.

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

	2007	Change	2006	Change	2005
			(In thousands)		
Research and Development	$388,101	19%	$326,126	6%	$307,448
% of Net Revenues	21%		19%		20%

Research and development (R&D) spending increased $62.0 million or 19% during fiscal 2007 compared to the same period last year. The increase was primarily due to stock−based compensation expense of $41.6 million resulting from our adoption of SFAS 123(R) effective April 2, 2006 and expenses related to investments in resources to support new product development, particularly in the area of DSP. Stock−based compensation expense was zero for fiscal 2006 and 2005. The increase in R&D expenses from fiscal 2005 to fiscal 2006 was primarily related to additional headcount to support our new product development and increased investments in new markets such as DSP and embedded processing. The increase was also attributed to the expenses associated with the tapeout of our latest Virtex−4 and Virtex−5 platform products.

We plan to continue to invest in R&D efforts in a wide variety of areas such as new products, 65−nm and more advanced process development, IP cores, DSP, embedded processing 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.

Selling, General and Administrative

	2007	Change	2006	Change	2005
			(In thousands)		
Selling, General and Administrative	$375,510	19%	$316,302	4%	$303,595
% of Net Revenues	20%		18%		19%

Selling, general and administrative (SG&A) expenses increased 19% during fiscal 2007 compared to the same period last year. This increase was attributable to stock−based compensation expense of $38.3 million resulting from our adoption of SFAS 123(R) effective April 2, 2006, expenses related to increased headcount, particularly in our sales organization, and legal related costs. Stock−based compensation expense was zero for fiscal 2006 and 2005. The increase in SG&A expenses in fiscal 2006 compared to the prior year period was due to salary and headcount increases and commissions associated with higher net revenues. This was offset slightly by reductions in our tax litigation and Sarbanes−Oxley Section 404 compliance costs.

Amortization of Acquisition−Related Intangibles

Amortization expense for all acquisition−related intangible assets for fiscal 2007, 2006 and 2005 was $8.0 million, $7.0 million and $6.7 million, respectively, primarily related to the intangible assets acquired from the RocketChips, Triscend, HDI and AccelChip acquisitions. Amortization expense for these intangible assets increased for fiscal 2007 from the same period last year due to the acquisition of AccelChip in January 2006. Amortization expense for these intangible assets increased slightly for fiscal 2006 compared to the prior year, due to the acquisition of HDI in June 2004 and AccelChip in January 2006.

We expect amortization of acquisition−related intangibles to be approximately $6.8 million for fiscal 2008 compared with $8.0 million for fiscal 2007.

Litigation Settlements and Contingencies

On November 27, 2006, the Company settled the patent infringement lawsuit with Lizy K. John, under which the Company agreed to pay $6.5 million. John agreed to dismiss the patent infringement lawsuit with prejudice, granted a patent license to the Company and executed an agreement not to sue the Company under any patent owned or controlled by John for ten years. As a result of the settlement agreement, we recorded a current period charge of $2.5 million during the third quarter of fiscal 2007. The remaining balance of $4.0 million represented the value of the prepaid patent license granted as part of the settlement. This balance will be amortized over the asset's remaining useful life.

In the second quarter of fiscal 2006, the Company accrued an additional $3.2 million that represented the settlement payment for the Rep'tronic litigation. The Company accrued amounts that represented anticipated payments for liability for legal contingencies under the provisions of SFAS 5, "Accounting for Contingencies."

Stock−Based Compensation Related to Prior Years

On June 22, 2006, the Company received notice from the SEC advising that the SEC had commenced an informal inquiry into the Company's historical stock option−granting practices. At the direction of a Special Committee of the Board of Directors, outside counsel conducted an investigation into the Company's historical option granting practices. Based on the results of the investigation and the Company's analysis of the facts, the Company took a $2.2 million charge to its earnings for the first quarter of fiscal 2007. The charge is based on the difference between recorded grant dates and measurement dates in certain stock option grants between 1997 and 2006. The investigation found no evidence of fraud in the Company's practices in granting of stock options, nor any evidence of manipulation of the timing or exercise price of stock option grants. The investigation further found no issues of management integrity in the issuance of stock options. The investigation determined that in nearly all cases, stock options were issued as of pre−set dates. This one−time charge did not have a material effect on the Company's historical financial statements, and therefore there was no restatement necessary to the Company's financial statements for any prior periods.

The income tax effect of the charge resulted in a benefit of $650 thousand, which was recorded to income tax expense. The Company assessed the implications of applicable income tax rules that may affect the Company. The tax benefit recorded is net of such potential costs.

Write−Off of Acquired In−Process Research and Development

In connection with the acquisition of AccelChip in January 2006, $4.5 million of in−process research and development costs were written off. The projects identified as in−process would have required additional effort in order to establish technological feasibility. These projects, as well as the HDI development projects referred to below, had identifiable technological risk factors indicating that successful completion, although expected, was not assured. If an identified project is not successfully completed, there is no alternative future use for the project, therefore, the expected future income will not be realized. The acquired in−process research and development represented the fair value of technologies in the development stage that had not yet reached technological feasibility and did not have alternative future uses.

The acquired in−process research and development components consist of algorithmic synthesis software and IP libraries for high−performance DSP design in FPGAs. We plan to sell these products to new and existing Xilinx customers and over time integrate them with our existing DSP software products. These projects were approximately 45% complete at the time of acquisition and we expected to complete all of the development projects by the end of fiscal 2009 with an estimated cost to complete of $3.5 million. As of March 31, 2007, these projects were approximately 65% complete and we still expect to complete all of the development projects by the end of fiscal 2009 with a remaining estimated cost to complete of $2.2 million.

In connection with the acquisition of HDI in June 2004, $7.2 million of in−process research and development costs were written off. The projects identified as in−process would have required additional effort in order to establish technological feasibility. The acquired in−process research and development components consist of hierarchical floorplanning and analysis software for high performance FPGA design. We currently sell these products to Xilinx customers, and over time, the products will be enhanced. At the time of the acquisition, these products

were approximately 67% complete. At that time, we expected to complete the development project by the end of fiscal 2005 with an estimated cost to complete of $1.1 million. The development project was completed during the fourth quarter of fiscal 2005 at a cost that approximated the original estimate.

To determine the value of HDI's and AccelChip's in−process research and development, the expected future cash flow attributable to the in−process technology was discounted, taking into account the percentage of completion, utilization of pre−existing "core" technology, risks related to the characteristics and applications of the technology, existing and future markets, and technological risk associated with completing the development of the technology. We expensed these non−recurring charges in the period of acquisition. See Note 16 to our consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data."

Impairment Losses

The impairment losses on investments of $2.0 million, $1.4 million and $3.1 million recognized during fiscal 2007, 2006 and 2005, respectively, were related to non−marketable equity securities in private companies. These impairment losses resulted primarily from certain investees diluting Xilinx's investment through the receipt of additional rounds of investment at a lower per share price or from the liquidation of certain investees.

Interest and Other, Net

	2007	Change	2006	Change	2005
			(In thousands)		
Interest and other, net	$85,329	86%	$45,958	45%	$31,603
Percentage of net revenues	5%		3%		2%

The increase in interest and other, net in fiscal 2007 over the prior year was due to higher yields from our investments, resulting from an increase in interest rates, and contributing to an increase of $23.5 million in interest income. During fiscal 2007, we began liquidating our investments with low interest rate yields (e.g., tax−exempt municipal bonds) and investing in taxable securities such as floating rate notes, which had a higher rate of return than the tax−exempt municipal bonds. The increase was also attributable to an increase of approximately $4.2 million in dividend income from the UMC investment compared to the prior year and a gain of approximately $7.0 million from the sale of a portion of the Company's UMC investment which was partially offset by portfolio capital losses. The increase in fiscal 2007 was also offset by interest expense related to the convertible debentures of $2.1 million for fiscal 2007. For fiscal 2006, the increase in interest and other, net compared to fiscal 2005, was due to higher yields resulting from an increase in short−term interest rates and $4.0 million of interest income earned from an IRS prepayment relating to a recent U.S. Tax Court decision in favor of the Company. See Item 3. "Legal Proceedings" and Note 13 to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data."

Provision for Income Taxes

	2007	Change	2006	Change	2005
			(In thousands)		
Provision for income taxes	$80,474	(21)%	$102,453	17%	$87,821
Effective tax rate	19%		22%		22%

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

The decrease in the effective tax rate in fiscal 2007 from fiscal 2006 was related to an increase in the amount of R&D tax credits recognized and an increase in the proportion of net income earned in lower tax jurisdictions. The Company also benefited from a decrease in tax reserves in fiscal 2007 due to expiration of the federal statute of limitations for fiscal 2003. These benefits were partially offset by non−deductible stock−based compensation resulting from the adoption of SFAS 123(R).

The Company was examined by the IRS for fiscal 1996 through 2001. All issues have been settled with the exception of issues related to Xilinx U.S.'s cost sharing arrangement with Xilinx Ireland. 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 the Company that no amount for stock options was to be included in the cost sharing agreement. Accordingly, there are no additional taxes, penalties or interest due for

this issue. The decision was entered by the Tax Court on May 31, 2006. On August 25, 2006, the IRS appealed the decision to the Ninth Circuit Court of Appeals. The Company is opposing this appeal as it believes that the Tax Court decided the case correctly. See Item 3. “Legal Proceedings” and Note 13 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 under our stock repurchase program, pay dividends and finance working capital. Additionally, our investments in debt securities and in UMC stock are available for future sale.

Fiscal 2007 Compared to Fiscal 2006

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

The combination of cash, cash equivalents and short−term and long−term investments at March 31, 2007 and April 1, 2006 was $1.81 billion and $1.60 billion, respectively. As of March 31, 2007, we had cash, cash equivalents and short−term investments of $1.14 billion and working capital of $1.40 billion. Cash provided by operations of $551.6 million for fiscal 2007 was $62.2 million higher than the $489.4 million generated during fiscal 2006. Cash provided by operations resulted primarily from net income as adjusted for non−cash related items, decreases in accounts receivable, inventories and prepaid expenses and an increase in income taxes payable (net of reclassifications), which were partially offset by increases in deferred income taxes and other assets, and decreases in accrued liabilities and deferred income on shipments to distributors.

The decrease in prepaid expenses was primarily related to the utilization of the advance wafer purchase payment paid to Toshiba. In October 2004, we entered into an advanced purchase agreement with Toshiba under which the Company paid Toshiba a total of $100.0 million for advance payment of silicon wafers produced under the agreement, which expired in December 2006 and has since been extended until December 2007. The entire advance payment of $100.0 million is being reduced by future wafer purchases from Toshiba and any unused portion is fully refundable in December 2007 if Toshiba is not able to maintain ongoing production and quality criteria or if future wafer purchases do not exceed the total amount advanced. At March 31, 2007, the unused balance of the advance payment remaining was $40.0 million.

Net cash used in investing activities was $283.8 million during fiscal 2007, as compared to net cash provided by investing activities of $242.4 million in fiscal 2006. Net cash used in investing activities during fiscal 2007 consisted of $171.4 million of net purchases of available−for−sale securities, $110.8 million for purchases of property, plant and equipment (see further discussion below) and $1.6 million of other investing activities. The net purchases of available−for−sale securities during fiscal 2007 were primarily due to the portfolio mix of our short− and long−term security investments.

Net cash used in financing activities was $415.3 million in fiscal 2007, as compared to $397.8 million in fiscal 2006. Net cash used in financing activities during fiscal 2007 consisted of $1.43 billion for the repurchase of common stock and $120.8 million for dividend payments to stockholders. These items were primarily offset by $980.0 million of net proceeds from the issuance of the 3.125% convertible debentures and $128.1 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 decreased 6% from $194.2 million at the end of fiscal 2006 to $182.3 million at the end of fiscal 2007. Days sales outstanding decreased to 36 days at March 31, 2007 from 41 days at April 1, 2006. The decreases were primarily attributable to strong collections during fiscal 2007 that were partially offset by increased shipments.

Inventories

Inventories decreased from $201.0 million at April 1, 2006 to $174.6 million at March 31, 2007. The combined inventory days at Xilinx and distribution channel decreased to 112 days at March 31, 2007, compared to 145 days at April 1, 2006. The decreases were primarily due to improved production yields (which lower per−unit inventory cost), inventory mix and greater visibility to our customers’ forecast and production requirements.

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. 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 2007, we invested $110.8 million in property, plant and equipment compared to $67.0 million in fiscal 2006. Primary investments in fiscal 2007 were for computer equipment, IT equipment, test equipment, building and leasehold improvements, and land. The increase in fiscal 2007 was also attributable to the accumulated construction costs of the building in Singapore, which is expected to be completed in June 2007. In February 2007, we purchased a parcel of land for $28.6 million near our headquarters in San Jose, for future potential growth purposes. We do not intend to build on the land at this time. We expect that property, plant and equipment expenditures will increase in the future due to the expansion of our regional headquarters in Singapore.

Current Liabilities

Current liabilities decreased from $345.0 million at the end of fiscal 2006 to $303.4 million at the end of fiscal 2007. The decrease was primarily due to the decreases in deferred income on shipments to distributors and other accrued liabilities, which were partially offset by the increases in accounts payable and accrued payroll and other related liabilities. The decrease in deferred income on shipments to distributors was due to lower inventory in the distributor channel as distributors attempted to adjust their inventory level to align with end−customer demand and to reduce inventory carrying costs.

Stockholders' Equity

Stockholders' equity decreased $956.1 million during fiscal 2007, from $2.73 billion in fiscal 2006 to $1.77 billion in fiscal 2007. The decrease in stockholder's equity was a result of the $1.43 billion repurchase of our common stock, $120.8 million of dividend payments to stockholders and $12.2 million decrease in other comprehensive income primarily due to a decrease in the fair market value of the UMC investment. The decrease was partially offset by net income of $350.7 million for fiscal 2007, the proceeds from issuance of common stock under employee stock plans of $125.8 million and the effect of stock−based compensation expense and associated tax benefits of $130.4 million.

Fiscal 2006 Compared to Fiscal 2005

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

The combination of cash, cash equivalents and short−term and long−term investments at April 1, 2006 and April 2, 2005 totaled $1.60 billion and 1.63 billion, respectively. As of April 1, 2006, we had cash, cash equivalents and short−term investments of $984.9 million and working capital of $1.30 billion. Cash provided by operations of $489.4 million for fiscal 2006 was $213.9 million higher than the $275.5 million generated during fiscal 2005. Cash provided by operations resulted primarily from net income as adjusted for noncash related items, a decrease in accounts receivable and increases in accrued liabilities and deferred income on shipments to distributors, which were partially offset by increases in inventories and prepaid expenses and other current assets as well as other assets. The increases in prepaid expenses and other current assets as well as other assets were primarily related to the second $50.0 million advance wafer purchase payment paid to Toshiba in September 2005 and $17.8 million of investments in intellectual property and licenses. In October 2004, the Company entered into an advanced purchase agreement with Toshiba under which the Company would pay Toshiba a total of $100.0 million in two equal installments for advance payment of silicon wafers produced under the agreement. The entire advance payment of $100.0 million is being reduced by future wafer purchases from Toshiba and any unused portion is fully refundable in December 2007 if Toshiba is not able to maintain ongoing production and quality criteria or if future wafer purchases do not exceed the total amount advanced. The balance of the advance payment remaining was $72.3 million at April 1, 2006.

Net cash provided by investing activities of $242.4 million during fiscal 2006 included net proceeds from the sale and maturity of available−for−sale securities of $353.3 million, which was partially offset by $67.0 million for purchases of property, plant and equipment, $19.5 million for the purchase of AccelChip and $24.4 million for other investing activities.

Net cash used in financing activities was $397.8 million in fiscal 2006 consisting of $401.6 million for the repurchase of common stock and $97.2 million for dividend payments to stockholders. These items were partially offset by $101.0 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 decreased 9% from $213.5 million at the end of fiscal 2005 to $194.2 million at the end of fiscal 2006. The decrease was primarily attributable to strong collections during fiscal 2006 that were partially offset by increased shipments. The decrease was also partially attributable to the change in payment terms from 45 days to 30 days for some North American customers. Days sales outstanding decreased to 41 days at April 1, 2006 from 49 days at April 2, 2005.

Inventories

Inventories increased from $185.7 million at April 2, 2005 to $201.0 million at April 1, 2006. The increase was primarily due to increased inventory in our new products to support forecasted revenue growth. Combined inventory days at Xilinx and distribution were relatively flat at 145 days at April 1, 2006 compared to 146 days at April 2, 2005.

Property, Plant and Equipment

During fiscal 2006, we invested $67.0 million in property, plant and equipment compared to $61.4 million in fiscal 2005. Primary investments in fiscal 2006 were for computer equipment, IT equipment, test equipment and building improvements.

Current Liabilities

Current liabilities increased from $298.4 million at the end of fiscal 2005 to $345.0 million at the end of fiscal 2006. The increase was primarily attributable to the increase in deferred income on shipments to distributors, accrued payroll and related liabilities and other accrued liabilities. The increase in deferred income on shipments to distributors was due to higher inventory in the distributor channel as a result of overall increased sales levels.

Stockholders' Equity

Stockholders' equity increased $55.4 million during fiscal 2006, principally as a result of $354.1 million in net income for fiscal 2006, the issuance of common shares and treasury stock under employee stock plans of $104.1 million, the related tax benefits associated with stock option exercises and the employee stock purchase plan of $40.6 million, $44.7 million for the reversal of reserves for cost sharing as a result of the U.S. Tax Court decision mentioned above, $17.2 million in unrealized gains on available−for−sale securities, net of deferred taxes, primarily from our investment in UMC stock and $853 thousand for noncash compensation expense and unrealized gains on hedging transactions. The increases were partially offset by the repurchase of common stock of $400.0 million, as adjusted for accrued and unsettled transactions, the payment of dividends to stockholders of $97.2 million, tax reconciliation and reclassification adjustments of $7.3 million and cumulative translation adjustment of $1.7 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 on April 18, 2007. See Note 19 to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for additional information about the credit facility.

We used $1.43 billion of cash to repurchase 55.2 million shares of our common stock in fiscal 2007 compared with $400.0 million used to repurchase 15.0 million shares in fiscal 2006. In the fourth quarter of fiscal 2007, we received net proceeds of $980.0 million from the issuance of 3.125% convertible debentures due March 15, 2037. As part of the $1.43 billion of stock repurchases in fiscal 2007, $930.0 million of the net proceeds from the debentures was used to repurchase 34.6 million shares of our common stock. During fiscal 2007, we paid $120.8 million in cash dividends to stockholders, representing $0.09 per common share for each quarter. During fiscal 2006, we paid $97.2 million in cash dividends to stockholders, representing $0.07 per common share for each quarter. On February 25, 2007, our Board of Directors declared an increase in the dividend rate on our common stock from $0.09 to $0.12 per common share for the first quarter of fiscal 2008. The dividend is payable on

May 30, 2007. Our stock repurchase program and dividend policy could be impacted by, among other items, our views on potential future capital requirements relating to research and development, investments and acquisitions, legal risks, principal and interest payments on our debentures and other strategic investments.

We anticipate that existing sources of liquidity and cash flows from operations will be sufficient to satisfy our cash needs for the foreseeable future. However, the risk factors discussed in Item 1A and below could affect our cash positions adversely. 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.

Contractual Obligations

The following table summarizes our significant contractual obligations at March 31, 2007 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 at March 31, 2007.

	Payments Due by Period				
	Total	Less than 1 year	1−3 years	3−5 years	More than 5 years
	(In millions)				
Operating lease obligations (1)	$ 37.5	$ 10.2	$ 16.0	$ 7.2	$ 4.1
New building commitment (2)	11.0	11.0	—	—	—
Inventory and other purchase obligations (3)	59.1	59.1	—	—	—
Electronic design automation software licenses (4)	24.1	10.4	11.6	2.1	—
Intellectual property license rights obligations (5)	20.0	—	—	—	20.0
3.125% convertible debentures – principal and interest (6)	1,936.2	31.3	62.5	62.5	1,779.9
Total	$ 2,087.9	$ 122.0	$ 90.1	$ 71.8	$ 1,804.0

(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 $8.7 million for fiscal 2007. See Note 8 to our consolidated financial statements, included in Item 8. “Financial Statements and Supplementary Data,” for additional information about operating leases.

(2) In November 2005, Xilinx made an investment commitment of $37.0 million for a new building in Singapore, the Company’s Asia Pacific regional headquarters. As of March 31, 2007, approximately $11.0 million of our investment commitment remains outstanding. The project is expected to be completed in June 2007.

(3) 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.

(4) As of March 31, 2007, the Company has $24.1 million of non−cancelable license obligations to providers of electronic design automation software expiring at various dates through December 2010.

(5) In the fourth quarter of fiscal 2005, the Company committed up to $20.0 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.

(6) In March 2007, the Company issued $1.00 billion principal amount of 3.125% debentures due March 15, 2037. The Company will pay cash interest at an annual rate of 3.125% payable semiannually on March 15 and September 15 of each year, beginning September 15, 2007.

Off−Balance−Sheet Arrangements

As of March 31, 2007, 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

In June 2006, the FASB issued FIN 48. This interpretation contains a two−step approach to recognizing and measuring uncertain tax positions accounted for in accordance with SFAS No. 109, "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 realized upon ultimate settlement. This interpretation is effective for fiscal years beginning after December 15, 2006. The Company will be required to adopt this interpretation in the first quarter of fiscal 2008. The cumulative effect of adopting FIN 48 will be recorded in retained earnings. The Company does not expect that the adoption of FIN 48 will have a significant impact on the Company's financial condition or results of operations.

See Note 2 to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for additional information about other recent accounting pronouncements.

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 $1.69 billion at March 31, 2007. Our primary aim with our investment portfolio is to invest available cash while preserving principal and meeting liquidity needs. The portfolio includes municipal bonds, floating rate notes, mortgage−backed securities, bank certificates of deposit, commercial paper, corporate bonds, 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. These securities are subject to interest rate risk and will decrease in value if market interest rates increase. A hypothetical 10% increase or decrease in market interest rates compared to interest rates at March 31, 2007 and April 1, 2006 would not materially affect the fair value of our available−for−sale securities and the impact on our investment portfolio would have been less than $8.0 million and $10.0 million, respectively.

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 and effective as hedges of anticipated transactions, for which a firm commitment has been attained, are deferred and included in the basis of the transaction 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 will enter into forward currency exchange contracts to hedge our overseas operating expenses and other liabilities when deemed appropriate. As of March 31, 2007 and April 1, 2006, we had the following outstanding forward currency exchange contracts:

	March 31, 2007	April 1, 2006
	(In thousands and U.S. dollars)	
Singapore dollar	$16,902	$15,929
Euro	—	12,794
Japanese Yen	4,309	4,103
	$21,211	$32,826

The net unrealized gain or loss which approximates the fair market value of the above contracts was immaterial at March 31, 2007 and April 1, 2006. The contracts expire at various dates between April and July 2007.

Our investments in several wholly−owned subsidiaries are recorded in currencies other than the U.S. dollar. As these foreign currency denominated investments 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. In addition, as our subsidiaries maintain investments denominated in other than local currencies, exchange rate fluctuations will occur. A hypothetical 10% favorable or unfavorable change

in foreign currency exchange rates compared to rates at March 31, 2007 and April 1, 2006 would have affected the value of our investments in foreign currency denominated subsidiaries by less than $14.0 million and $12.0 million, respectively.

Equity Security Price Risk

Our investment in marketable equity securities at March 31, 2007 consists almost entirely of our investment in UMC, which consists of shares of common stock, the value of which is determined by the closing price on the Taiwan Stock Exchange as of the balance sheet date. This value is converted from New Taiwan dollars into U.S. dollars and included in our determination of the change in the fair value of our investment in UMC which is accounted for under the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (SFAS 115). The market value of our investment in UMC was approximately $67.0 million at March 31, 2007 as compared to our adjusted cost basis of approximately $62.5 million. The value of our investment in UMC would be materially impacted if there were a significant change in the market price of the UMC shares and/or New Taiwan dollars. Excluding the effect of any changes in the New Taiwan dollar, a hypothetical 30% favorable or unfavorable change in UMC's stock price compared to the stock price at March 31, 2007 would have affected the value of our investment in UMC by less than $21.0 million. See Note 4 to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for additional information about our UMC investment.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

XILINX, INC.
CONSOLIDATED STATEMENTSOF INCOME

	Years Ended		
	March 31, 2007(1)	April 1, 2006	April 2, 2005
	(In thousands, except per share amounts)		
Net revenues	$1,842,739	$1,726,250	$1,573,233
Cost of revenues	718,643	657,119	576,284
Gross margin	1,124,096	1,069,131	996,949
Operating expenses:			
Research and development	388,101	326,126	307,448
Selling, general and administrative	375,510	316,302	303,595
Amortization of acquisition−related intangibles	8,009	6,976	6,668
Litigation settlements and contingencies	2,500	3,165	—
Stock−based compensation related to prior years	2,209	—	—
Write−off of acquired in−process research and development	—	4,500	7,198
Total operating expenses	776,329	657,069	624,909
Operating income	347,767	412,062	372,040
Impairment loss on investments	(1,950)	(1,418)	(3,099)
Interest and other, net	85,329	45,958	31,603
Income before income taxes	431,146	456,602	400,544
Provision for income taxes	80,474	102,453	87,821
Net income	$ 350,672	$ 354,149	$ 312,723
Net income per common share:			
Basic	$ 1.04	$ 1.01	$ 0.90
Diluted	$ 1.02	$ 1.00	$ 0.87
Shares used in per share calculations:			
Basic	337,920	349,026	347,810
Diluted	343,636	355,065	358,230

(1) Cost of revenues and operating expenses for fiscal 2007 include stock−based compensation expenses. See Notes 2 and 3 for additional information.

See notes to consolidated financial statements.

XILINX, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2007	April 1, 2006
	(In thousands, except par value amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 635,879	$ 783,366
Short−term investments	502,036	201,551
Investment in United Microelectronics Corporation, current portion	—	37,285
Accounts receivable, net of allowances for doubtful accounts and customer returns of $3,737 and $3,697 in 2007 and 2006, respectively	182,295	194,205
Inventories	174,572	201,029
Deferred tax assets	100,344	110,928
Prepaid expenses and other current assets	104,976	119,884
Total current assets	1,700,102	1,648,248
Property, plant and equipment, at cost:		
Land	94,187	63,521
Buildings	281,334	246,550
Machinery and equipment	337,037	311,516
Furniture and fixtures	47,639	44,773
	760,197	666,360
Accumulated depreciation and amortization	(347,161)	(308,103)
Net property, plant and equipment	413,036	358,257
Long−term investments	675,713	616,296
Investment in United Microelectronics Corporation, net of current portion	67,050	239,209
Goodwill	117,955	125,084
Acquisition−related intangibles, net	14,626	22,651
Other assets	190,873	163,802
Total Assets	$ 3,179,355	$ 3,173,547
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 78,912	$ 71,004
Accrued payroll and related liabilities	83,949	79,260
Income taxes payable	24,210	30,048
Deferred income on shipments to distributors	89,052	126,558
Other accrued liabilities	27,246	38,154
Total current liabilities	303,369	345,024
Convertible debentures	999,597	—
Deferred tax liabilities	102,329	92,153
Other long−term liabilities	1,320	7,485
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value; 2,000 shares authorized; none issued and outstanding	—	—
Common stock, $.01 par value; 2,000,000 shares authorized; 295,902 and 342,618 shares issued and outstanding in 2007 and 2006, respectively	2,959	3,426
Additional paid−in capital	849,888	1,375,120
Retained earnings	916,292	1,334,530
Accumulated other comprehensive income	3,601	15,809
Total stockholders' equity	1,772,740	2,728,885
Total Liabilities and Stockholders' Equity	$ 3,179,355	$ 3,173,547

See notes to consolidated financial statements.

XILINX, INC.
CONSOLIDATED STATEMENTSOF CASH FLOWS

	Years Ended		
	March 31, 2007	April 1, 2006	April 2, 2005
		(In thousands)	
Cash flows from operating activities:			
Net income	$ 350,672	$ 354,149	$ 312,723
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	55,998	53,326	51,921
Amortization	17,926	16,223	11,141
Amortization of deferred compensation	—	—	504
Stock−based compensation	90,292	—	—
Stock−based compensation related to prior years	2,209	—	—
Write−off of acquired in−process research and development	—	4,500	7,198
Net (gain) loss on sale of available−for−sale securities	(814)	4,981	(505)
Impairment loss on investments	1,950	1,418	3,099
Convertible debt derivatives – revaluation and amortization	(403)	—	—
Noncash compensation expense	—	735	—
Provision for deferred income taxes	7,091	26,032	59,552
Tax benefit from exercise of stock options	35,765	40,596	51,854
Excess tax benefit from stock−based compensation	(27,413)	—	—
Changes in assets and liabilities, net of effects from acquisition of businesses:			
Accounts receivable, net	11,911	19,380	35,490
Inventories	28,617	(15,307)	(83,268)
Deferred income taxes	3,532	(1,891)	(53,229)
Prepaid expenses and other current assets	35,652	(34,897)	4,509
Other assets	(15,636)	(29,910)	(32,116)
Accounts payable	7,908	7,811	(15,371)
Accrued liabilities	(10,939)	18,917	(5,976)
Income taxes payable	(5,244)	(687)	(23,572)
Deferred income on shipments to distributors	(37,506)	24,047	(48,468)
Net cash provided by operating activities	551,568	489,423	275,486
Cash flows from investing activities:			
Purchases of available−for−sale securities	(1,864,582)	(1,459,248)	(2,161,606)
Proceeds from sale and maturity of available−for−sale securities	1,693,152	1,812,580	2,196,321
Purchases of property, plant and equipment	(110,777)	(67,040)	(61,377)
Acquisition of businesses, net of cash acquired	—	(19,476)	(18,433)
Other investing activities	(1,564)	(24,436)	—
Net cash provided by (used in) investing activities	(283,771)	242,380	(45,095)
Cash flows from financing activities:			
Repurchases of common stock	(1,430,000)	(401,584)	(133,755)
Proceeds from issuance of common stock through various stock plans	128,136	100,949	85,064
Proceeds from issuance of convertible debentures, net of issuance costs	980,000	—	—
Payment of dividends to stockholders	(120,833)	(97,190)	(69,655)
Excess tax benefit from stock−based compensation	27,413	—	—
Net cash used in financing activities	(415,284)	(397,825)	(118,346)
Net increase (decrease) in cash and cash equivalents	(147,487)	333,978	112,045
Cash and cash equivalents at beginning of year	783,366	449,388	337,343
Cash and cash equivalents at end of year	$ 635,879	$ 783,366	$ 449,388
Supplemental schedule of non−cash activities:			
Accrual of affordable housing credit investments	$ —	$ 19,357	$ —
Supplemental disclosure of cash flow information:			
Income taxes paid, net of refunds	$ 39,330	$ 37,159	$ 52,026

Source: XILINX INC, 10−K, May 30, 2007

See notes to consolidated financial statements.

XILINX, INC.

CONSOLIDATED STATEMENTSOF STOCKHOLDERS' EQUITY

	Common Stock Outstanding		Additional Paid−in	Retained	Treasury	Accumulated Other Comprehensive Income	Total Stockholders'
	Shares	Amount	Capital	Earnings	Stock	(Loss)	Equity
				(In thousands)			
Balance at April 3, 2004	346,962	$ 3,470	$ 903,991	$ 1,521,568	$ (1,031)	$ 55,064	$ 2,483,062
Components of comprehensive income:							
Net income	—	—	—	312,723	—	—	312,723
Change in net unrealized loss on available−for−sale securities, net of tax benefit of $38,471	—	—	—	—	—	(55,757)	(55,757)
Cumulative translation adjustment	—	—	—	—	—	897	897
Total comprehensive income							257,863
Issuance of common shares and treasury stock under employee stock plans	7,632	76	(49,420)	(1,763)	135,618	—	84,511
Repurchase of common stock	(4,433)	(44)	—	—	(134,587)	—	(134,631)
Deferred compensation−RocketChips	—	—	504	—	—	—	504
Cash dividends declared ($0.20 per common share)	—	—	—	(69,655)	—	—	(69,655)
Tax benefit from exercise of stock options	—	—	51,854	—	—	—	51,854
Balance at April 2, 2005	350,161	3,502	906,929	1,762,873	—	204	2,673,508
Components of comprehensive income:							
Net income	—	—	—	354,149	—	—	354,149
Change in net unrealized gain on available−for−sale securities, net of taxes of $10,540	—	—	—	—	—	17,179	17,179
Change in net unrealized gain on hedgingtransactions, net of taxes	—	—	—	—	—	118	118
Cumulative translation adjustment	—	—	—	—	—	(1,692)	(1,692)
Total comprehensive income							369,754
Issuance of common shares and treasury stock under employee stock plans	7,437	74	46,321	(13,009)	70,690	—	104,076
Reclassification of losses from reissuance of treasury stock	—	—	502,552	(502,552)	—	—	—
Repurchase and retirement of common stock	(15,011)	(150)	(159,429)	(169,741)	(70,690)	—	(400,010)
Noncash compensation expense	31	—	735	—	—	—	735
Cash dividends declared ($0.28 per common share)	—	—	—	(97,190)	—	—	(97,190)
Reversal of reserve for cost sharing as a result of Tax Court decision	—	—	44,713	—	—	—	44,713
Tax reconciliation and reclassification adjustments	—	—	(7,297)	—	—	—	(7,297)
Tax benefit from exercise of stock options	—	—	40,596	—	—	—	40,596
Balance at April 1, 2006	342,618	3,426	1,375,120	1,334,530	—	15,809	2,728,885
Components of comprehensive income:							
Net income	—	—	—	350,672	—	—	350,672
Change in net unrealized loss on available−for−sale securities, net of tax benefit of$8,267	—	—	—	—	—	(13,520)	(13,520)
Change in net unrealized loss on hedging transactions, net of taxes	—	—	—	—	—	(105)	(105)
Cumulative translation adjustment	—	—	—	—	—	1,417	1,417
Total comprehensive income							338,464
Issuance of common shares under employee stock plans	8,505	85	125,712	—	—	—	125,797
Repurchase and retirement of common stock	(55,221)	(552)	(781,371)	(648,077)	—	—	(1,430,000)
Stock−based compensation expense	—	—	90,292	—	—	—	90,292
Stock−based compensation capitalized in inventory	—	—	2,161	—	—	—	2,161
Stock−based compensation related to prior years	—	—	2,209	—	—	—	2,209
Cash dividends declared ($0.36 per common share)	—	—	—	(120,833)	—	—	(120,833)
Tax benefit from exercise of stock options	—	—	35,765	—	—	—	35,765
Balance at March 31, 2007	295,902	$ 2,959	$ 849,888	$ 916,292	$ —	$ 3,601	$ 1,772,740

See notes to consolidated financial statements.

Note 1. Nature of Operations

Xilinx designs, develops and markets complete programmable logic solutions, including advanced integrated circuits, software design tools, predefined system functions delivered as intellectual property cores, design services, customer training, field engineering and technical support. The wafers used to manufacture its products are obtained from independent wafer manufacturers located primarily 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 manufacturing and test facilities in the United States, Ireland and Singapore and sales offices throughout the world. The Company derives over one−half of its revenues from international sales, primarily in Europe, Japan and the Asia Pacific region.

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 2007 was a 52−week year ended on March 31, 2007. Fiscal 2006 was a 52−week year ended on April 1, 2006. Fiscal 2005 was a 52−week year ended on April 2, 2005. Fiscal 2008 will be a 52−week year ending on March 29, 2008.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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, intangible assets and goodwill, inventory write−downs, allowances for doubtful accounts and customer returns, potential reserves relating to litigation and tax matters, valuation of 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, 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. Short−term investments also include taxable and tax−advantaged auction rate securities. 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. 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 with investments in non−U.S. based issuers. All investments are made pursuant to corporate investment policy guidelines. Investments include Euro commercial paper, Euro dollar bonds, Euro dollar floating rate notes and offshore time deposits.

Management classifies investments as available−for−sale or held−to−maturity at the time of purchase and reevaluates 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 at March 31, 2007 or April 1, 2006. 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. Realized gains and losses and declines in value judged to be other−than−temporary on available−for−sale securities are included in interest and other, net. The fair values for marketable debt and equity securities are based on quoted market prices. The cost of securities matured or sold is based on the specific identification method.

Xilinx adopted the provisions of FSP 115−1 on January 1, 2006. Beginning in the fourth quarter of fiscal 2006, the Company assessed other−than−temporary impairment of debt and equity securities in accordance with FSP 115−1. 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 and the investee's need for possible additional funding at a lower valuation. 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.

Inventories

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

	March 31, 2007	April 1, 2006
	(In thousands)	
Raw materials	$ 28,138	$ 10,390
Work−in−process	109,653	137,939
Finished goods	36,781	52,700
	$174,572	$201,029

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 $56.0 million, $53.3 million and $51.9 million for fiscal 2007, 2006 and 2005, 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.

Goodwill

As required by SFAS 142, goodwill is not amortized but is subject to impairment tests annually, or earlier 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 under SFAS No. 144, "Accounting for the Impairment or Disposal of Long−Lived Assets". Based on the impairment review performed during the fourth quarter of fiscal 2007, there was no impairment of goodwill in fiscal 2007. 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 2008. 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 distributor's end customers. For fiscal 2007, approximately 86% of Xilinx'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 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 Xilinx has a legally enforceable right to collection under normal payment terms.

Revenue from sales to 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 formal acceptance provisions with 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 8% 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, net. The remeasurement gains or losses were immaterial for fiscal 2007, 2006 and 2005.

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, equity

and interest rate fluctuations. The Company does not enter into derivative financial instruments for trading or speculative purposes. As of March 31, 2007 and April 1, 2006, the Company had the following outstanding forward currency exchange contracts:

	March 31, 2007	April 1, 2006
	(In thousands and U.S. dollars)	
Singapore dollar	$ 16,902	$ 15,929
Euro	—	12,794
Japanese Yen	4,309	4,103
	$ 21,211	$ 32,826

The net unrealized gain or loss which approximates the fair market value of the above contracts was immaterial at March 31, 2007 and April 1, 2006. The contracts expire at various dates between April and July 2007.

The $1.00 billion debentures include provisions which qualify as embedded derivatives. Please see Note 11 below for detailed discussion about the embedded derivatives. The embedded derivatives were separated from the debentures and their fair value was established at the inception of the debentures. Any subsequent change in fair value of the embedded derivatives would be recorded in the Company's consolidated statement of income. The fair value of the contingent interest provision at inception of the debentures was $2.5 million and was $2.1 million at March 31, 2007. The change in the fair value (i.e., $400 thousand) of this embedded derivative during fiscal 2007 was recorded as a credit to interest expense on the Company's consolidated statement of income.

Research and Development Expenses

Research and development costs are charged to expense as incurred.

Stock−Based Compensation

Effective April 2, 2006, the Company adopted the provisions of SFAS No. 123 (revised 2004), "Share−Based Payment" (SFAS 123(R)). SFAS 123(R) requires employee equity awards to be accounted for under the fair value method. Accordingly, stock−based compensation is measured at the grant date, based on the fair value of the award. Prior to the adoption of SFAS 123(R), the Company accounted for stock−based compensation under APB 25 and related interpretations, using the intrinsic value method and provided the required pro forma disclosures in accordance with SFAS No. 123 as amended by SFAS No. 148 "Accounting for Stock−Based Compensation−Transition and Disclosure" (SFAS 148). 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 SFAS 123(R). Accordingly, the employee stock purchase plan is included in the computation of stock−based compensation expense.

The Company applies SFAS 123(R) using the modified−prospective method and consequently has not retroactively adjusted results for prior periods. Under the modified−prospective method, the compensation cost recognized by the Company beginning in fiscal 2007 includes (a) compensation cost for all stock−based awards granted prior to, but not yet vested as of April 1, 2006, based on the grant−date fair value estimated in accordance with the original provisions of SFAS 123, and (b) compensation cost for all stock−based awards granted subsequent to April 1, 2006, based on the grant−date fair value estimated in accordance with the provisions of SFAS 123(R). The Company uses the straight−line attribution method to recognize stock−based compensation costs over the requisite service period of the award for stock−based awards granted after April 1, 2006. For stock−based awards granted prior to April 2, 2006, the Company continues to use the accelerated amortization method consistent with the amounts disclosed in the pro forma disclosure as prescribed by SFAS 123. 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 discussed in FSP 123(R)−3.

Income Taxes

All income tax amounts reflect the use of the liability method under SFAS No. 109. 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.

Recent Accounting Pronouncements

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments," an amendment of FASB Statements No. 133 and 140 (SFAS 155). SFAS 155 permits interests in hybrid financial instruments that contain an embedded derivative, which would otherwise require bifurcation, to be accounted for as a single financial instrument at fair value, with changes in fair value recognized in earnings. This election is permitted on an instrument−by−instrument basis for all hybrid financial instruments held, obtained, or issued as of the adoption date. SFAS 155 is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006 (fiscal 2008 for Xilinx). The Company does not expect the adoption of SFAS 155 to have a material effect on its financial condition or results of operations.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109" (FIN 48). The interpretation contains a two−step approach to recognizing and measuring uncertain tax positions accounted for in accordance with SFAS No. 109. 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 realized upon ultimate settlement. This interpretation is effective for fiscal years beginning after December 15, 2006. The Company will be required to adopt this interpretation in the first quarter of fiscal 2008. The cumulative effect of adopting FIN 48 will be recorded in retained earnings. The Company does not expect that the adoption of FIN 48 will have a significant impact on the Company's financial condition or results of operations.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" (SAB 108). SAB 108 addresses the diversity in practice of quantifying financial statement misstatements resulting in the potential build up of improper amounts on the balance sheet. SAB 108 provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. The SEC staff believes that registrants should quantify errors using both a balance sheet and an income statement approach and evaluate whether either approach results in quantifying a misstatement that, when all relevant quantitative and qualitative factors are considered, is material. SAB 108 is effective for companies with fiscal years ending after November 15, 2006 and was adopted by the Company in its fiscal year ending March 31, 2007. SAB 108 allows a one−time transitional cumulative effect adjustment to beginning retained earnings as of April 2, 2006 for errors that were not previously deemed material, but are material under the guidance in SAB 108. The Company's adoption of SAB 108 did not have a material effect on its financial condition or results of operations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" (SFAS 157). SFAS 157 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 (fiscal 2009 for Xilinx), and interim periods within those fiscal years. The Company does not expect the adoption of SFAS 157 to have a material effect on its financial condition or results of operations.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159). SFAS 159 permits companies to choose to measure certain financial instruments and certain other items at fair value. The standard requires that unrealized gains and losses on items for which the fair value option has been elected be reported in earnings. SFAS 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007 (fiscal 2009 for Xilinx), although earlier adoption is permitted. The Company is currently assessing the impact of SFAS 159 on its financial condition and results of operations.

Product Warranty and Indemnification

The Company generally sells products with a limited warranty for product quality. The Company provides for known product issues if a loss is probable and can be reasonably estimated. The warranty accrual and related provision for fiscal 2007 is predominately due to two quality issues, one related to a single vendor and another

due to a settlement payment with one of the Company's customers. The following table presents a reconciliation of the Company's product warranty liability, which is included in other accrued liabilities on the Company's consolidated balance sheets:

	2007	2006
	(In thousands)	
Balance at beginning of fiscal year	$ 893	$ —
Provision	4,920	2,199
Utilized	(3,313)	(1,306)
Balance at end of fiscal year	$ 2,500	$ 893

The Company generally sells its products with a limited indemnification of customers against intellectual property infringement claims related to the Company's products. Xilinx has historically received only a limited number of requests for indemnification under these provisions and has not been requested to make any significant payments pursuant to these provisions.

Concentrations of Credit Risk

In July 2005, two of the Company's distributors, Avnet and Memec, consolidated and merged into one entity, with Avnet as the surviving company. As of March 31, 2007 and April 1, 2006, the combined Avnet/Memec entity accounted for 86% and 78% of the Company's total accounts receivable, respectively. Resale of product through this combined entity accounted for 67% of the Company's worldwide net revenues in fiscal 2007. Had this acquisition been completed for all periods presented, resale of product through this combined entity would have accounted for 70% and 76% of the Company's worldwide net revenues in fiscal 2006 and 2005, respectively. The Company monitors the creditworthiness of its distributors and believes their sales to diverse end customers and to diverse geographies further serve to mitigate the Company's exposure to credit risk.

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. During fiscal 2007, the Company obtained credit insurance for a portion of its accounts receivable balance to further mitigate the concentration of its credit risk. Xilinx generally does not require collateral for receivables from its end customers or from distributors. In the event of termination of a distributor agreement, inventory held by the distributor must be returned.

No end customer accounted for more than 10% of net revenues in fiscal 2007, 2006 or 2005.

The Company mitigates concentrations of credit risk in its investments in debt securities by investing more than 80% of its portfolio in AA or higher grade securities as rated by Standard & Poor's. Additionally, Xilinx limits its investments in the debt securities of a single issuer and attempts to further mitigate credit risk by diversifying risk across geographies and type of issuer. At March 31, 2007, 58% and 42% of its investments in debt securities were domestic and foreign issuers, respectively. See Note 5 for detailed information about the Company's investment portfolio.

Dependence on Independent Manufacturers and Subcontractors

The Company does not directly manufacture the finished silicon wafers used to manufacture its products. Xilinx receives a substantial 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.

Note 3. Stock−Based Compensation

Adoption of SFAS 123(R)

Effective April 2, 2006, the Company adopted SFAS 123(R). SFAS 123(R) requires the Company to measure the cost of all employee stock−based compensation 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 (generally over the vesting period of the award). SFAS 123(R) addresses all forms of stock−based payment awards, including shares issued under employee stock

purchase plans, stock options, restricted stock and stock appreciation rights. 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 Company implemented the standard using the modified−prospective method and consequently has not retroactively adjusted results for prior periods. The Company previously accounted for stock−based compensation under APB 25 and related interpretations, using the intrinsic value method and, as such, generally recognized no compensation cost for employee stock options. Prior to adopting SFAS 123(R), the Company presented all tax benefits resulting from the exercise of stock options as operating cash flows in its statements of cash flows. SFAS 123(R) 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. In addition, the Company provided the required pro forma disclosures related to its stock plans prescribed by SFAS 123 as amended by SFAS No. 148.

Under the modified−prospective method of adoption for SFAS 123(R), the compensation cost recognized by the Company beginning in fiscal 2007 includes (a) compensation cost for all stock−based awards granted prior to, but not yet vested as of April 1, 2006, based on the grant−date fair value estimated in accordance with the original provisions of SFAS 123, and (b) compensation cost for all stock−based awards granted subsequent to April 1, 2006, based on the grant−date fair value estimated in accordance with the provisions of SFAS 123(R). The Company uses the straight−line attribution method to recognize stock−based compensation costs over the requisite service period of the award for stock−based awards granted after April 1, 2006. For stock−based awards granted prior to April 2, 2006, the Company continues to use the accelerated amortization method consistent with the amounts disclosed in the pro forma disclosure as prescribed by SFAS 123. 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 discussed in FSP 123(R)−3.

Options currently granted by the Company generally expire ten years from the grant date. Options granted to existing and newly hired employees generally vest over a four−year period from the date of grant.

Stock−based compensation recognized in fiscal 2007 as a result of the adoption of SFAS 123(R) as well as pro forma disclosures according to the original provisions of SFAS 123 for periods prior to the adoption of SFAS 123(R) use the Black−Scholes option pricing model for estimating fair value of options granted under the Company's stock option plans and rights to acquire stock granted under the Employee Stock Purchase Plan.

The following table summarizes the effects of stock−based compensation resulting from the application of SFAS 123(R) to options granted under the Company's stock option plans and rights to acquire stock granted under the Employee Stock Purchase Plan:

	2007	2006	2005
	(In thousands, except per share amounts)		
Stock−based compensation included in:			
Cost of revenues	$ 10,345	$ —	$ —
Research and development	41,610	—	—
Selling, general and administrative	38,337	—	—
Stock−based compensation related to prior years	2,209	—	—
Stock−based compensation effect on income before taxes	92,501	—	—
Income tax effect	(26,876)	—	—
Net stock−based compensation effect on net income	$ 65,625	$—	$ —
Stock−based compensation effect on basic net income per common share	$ 0.19	$—	$ —
Stock−based compensation effect on diluted net income per common share	$ 0.19	$—	$ —
Stock−based compensation effect on cash flows from operations	$ (27,413)	$ —	$ —
Stock−based compensation effect on cash flows from financing activities	$ 27,413	$—	$ —

In June 2006, under the direction of a Special Committee of the Board of Directors, outside counsel commenced an investigation of the Company's historical stock option−granting practices and found no evidence of fraud in the Company's practices in granting of stock options, nor any evidence of manipulation of the timing or exercise

price of stock option grants. The investigation further found no issues of management integrity in the issuance of stock options. The investigation determined that in nearly all cases, stock options were issued as of pre−set dates. Based on the results of the investigation and the Company's analysis of the facts, the Company took a $2.2 million charge to its earnings for the first quarter of fiscal 2007 related to minor differences between recorded grant dates and measurement dates for certain stock option grants between 1997 and 2006. This one−time charge did not have a material effect on the Company's historical financial statements, and, thus, the Company did not restate its financial statements for prior years. See Note 15 for additional information about the conclusion of the investigation, which arose in response to the stockholder derivative complaints and a notification by the SEC of an informal inquiry into the Company's historical stock option−granting practices. The SEC subsequently terminated its informal inquiry of the Company's stock option−granting practices and the stockholder derivative complaints were consolidated and subsequently dismissed.

In accordance with SFAS 123(R), the Company adjusts stock−based compensation on a quarterly basis for changes to the estimate of expected equity award forfeitures based on actual forfeiture experience. The effect of adjusting the forfeiture rate for all expense amortization after April 1, 2006 is recognized in the period the forfeiture estimate is changed. The effect of forfeiture adjustments in fiscal 2007 was insignificant.

The amount that the Company would have capitalized to inventory as of April 1, 2006, if it had applied the provisions of SFAS 123(R) retrospectively, was $4.5 million. Under the provisions of SFAS 123(R), this $4.5 million has been recorded as a credit to additional paid−in−capital. The total stock−based compensation released from the inventory capitalization during fiscal 2007 was $2.3 million, which resulted in an ending inventory balance of $2.2 million related to stock−based compensation at March 31, 2007. During fiscal 2007, the tax benefit realized for the tax deduction from option exercises and other awards totaled $35.8 million. As of March 31, 2007, total unrecognized stock−based compensation costs related to stock options and Employee Stock Purchase Plan was $93.4 million and $19.0 million, respectively. The total unrecognized stock−based compensation cost for stock options and Employee Stock Purchase Plan is expected to be recognized over a weighted−average period of 2.6 years and 0.9 years, respectively.

Prior to the adoption of SFAS 123(R), the Company adopted the disclosure−only alternative allowed under SFAS 123, as amended by SFAS 148. Stock−based compensation expense recognized under SFAS 123(R) was not reflected in the Company's results of operations for fiscal 2006 or 2005 for stock option awards as all options were granted with an exercise price equal to the market value of the underlying common stock on the date of grant. In addition, the Employee Stock Purchase Plan was deemed non−compensatory under the provisions of APB 25. Forfeitures of awards were recognized as they occurred for the period prior to the adoption.

Pro forma information required under SFAS 123 for periods prior to fiscal 2007 as if the Company had applied the fair value recognition provisions of SFAS 123 to stock−based compensation, was as follows:

	2006	2005
	(In thousands, except per share amounts)	
Net income as reported	$ 354,149	$ 312,723
Deduct: Stock−based employee compensation expense determined under fair value method for all awards, net of tax	(82,956)	(119,237)
Pro forma net income	$ 271,193	$ 193,486
Net income per common share:		
Basic−as reported	$ 1.01	$ 0.90
Basic−pro forma	$ 0.78	$ 0.56
Diluted−as reported	$ 1.00	$ 0.87
Diluted−pro forma	$ 0.76	$ 0.54

The fair values of stock options and stock purchase plan rights under the Company's stock option plans and Employee Stock Purchase Plan were estimated as of the grant date using the Black−Scholes option−pricing model. In the first quarter of fiscal 2006, the Company modified its volatility assumption to use implied volatility for options granted. Previously, the Company used only historical volatility in deriving its volatility assumption. Management determined that implied volatility is more reflective of market conditions and a better indicator of expected volatility than historical volatility. The expected life of options granted is based on the historical exercise activity as well as the expected disposition of all options outstanding. Calculated under SFAS 123(R) (SFAS 123 for fiscal 2006 and 2005), the per share weighted−average fair values of stock options granted during fiscal 2007,

2006 and 2005 were $9.02, $7.99 and $16.68, respectively. The per share weighted−average fair values of stock purchase rights granted under the Employee Stock Purchase Plan during fiscal 2007, 2006 and 2005 were $6.51, $7.89 and $12.59, respectively. The fair value of stock options and stock purchase plan rights granted in fiscal 2007, 2006 and 2005 were estimated at the date of grant using the following weighted average assumptions:

	Stock Options			Employee Stock Purchase Plan		
	2007	2006	2005	2007	2006	2005
Expected life of options (years)	6.3 to 6.4	4.8 to 5.0	4.7	0.5 to 2.0	0.5 to 2.0	0.5 to 2.0
Expected stock price volatility	0.31 to 0.39	0.29 to 0.36	0.66	0.27 to 0.38	0.27 to 0.46	0.36 to 0.51
Risk−free interest rate	4.4% to 5.2%	3.7% to 4.8%	3.6%	3.6% to 5.2%	1.9% to 4.6%	1.0% to 2.7%
Dividend yield	1.4% to 1.6%	1.0% to 1.1%	0.7%	1.4% to 1.8%	1.2% to 1.4%	0.6% to 0.7%

Options outstanding that have vested and are expected to vest in future periods as of March 31, 2007 are as follows:

	Number of Shares	Weighted−Average Exercise Price Per Share	Weighted−Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (1)
	(Shares and intrinsic value in thousands)			
Vested (i.e., exercisable)	41,803	$32.68	4.60	$110,381
Expected to vest	13,230	$26.64	8.61	16,602
Total vested and expected to vest	55,033	$31.23	5.56	$126,983
Total outstanding	55,942	$31.13	5.62	$128,369

(1) These amounts represent the difference between the exercise price and $25.73, the closing price per share of Xilinx's stock on March 30, 2007, for all in−the−money options outstanding.

Options outstanding that are expected to vest are net of estimated future option forfeitures in accordance with the provisions of SFAS 123(R), which are estimated when compensation costs are recognized. Options with a fair value of $103.2 million completed vesting during fiscal 2007.

Employee Stock Option Plans

Under the Company's stock option plans (Option Plans), options reserved for future issuance to employees and directors of the Company total 91.7 million shares as of March 31, 2007, including 35.8 million shares available for future grants. Options to purchase shares of the Company's common stock under the Option Plans are granted at 100% of the fair market value of the stock on the date of grant. Options granted to date expire ten years from date of grant and vest at varying rates over two or four years.

A summary of the Company's Option Plans activity and related information are as follows:

	Shares Available for Options	Options Outstanding	
		Number of Shares (Shares in thousands)	Weighted Average Exercise Price Per Share
April 3, 2004	28,707	58,123	$27.13
Additional shares reserved	13,560	—	—
Granted	(9,810)	9,810	$37.12
Exercised	—	(5,993)	$ 8.75
Forfeited/cancelled/expired	1,297	(1,297)	$40.78
April 2, 2005	33,754	60,643	$30.18
Granted	(8,489)	8,489	$25.91
Exercised	—	(6,090)	$11.71
Forfeited/cancelled/expired	3,212	(3,212)	$38.64
April 1, 2006	28,477	59,830	$30.99
Additional shares reserved	10,000	—	—
Granted	(8,751)	8,751	$23.50
Exercised	—	(6,598)	$13.88
Forfeited/cancelled/expired	6,041	(6,041)	$37.51
March 31, 2007	35,767	55,942	$31.13

The above table includes additional shares that became available under a five−year evergreen program that was approved by stockholders in 1999. The final allotment of 13.6 million shares, approved by the Board on April 8, 2004, marked the end of the Company's five−year evergreen program. On July 26, 2006, the stockholders approved the adoption of the 2007 Equity Incentive Plan (2007 Plan) and authorized 10.0 million shares to be reserved for issuance thereunder. The types of awards allowed under the 2007 Plan include incentive stock options, non−qualified stock options, restricted stock units (RSUs), restricted stock and stock appreciation rights. The Company expects to issue primarily a mix of non−qualified stock options and RSUs under the 2007 Plan. The expected mix of stock options and RSU awards will change depending upon the grade level of the employees. Employees at the lower grade levels will receive mostly RSUs and may also receive stock options, whereas employees at the higher grade levels, including the Company's executive officers, will receive mostly stock options and may also receive RSUs. The term for options granted under the 2007 Plan will be seven years. Since the 2007 Plan became effective on January 1, 2007, the 10.0 million shares to be reserved for issuance are included as shares available for options in the table above, even though no awards had been granted under the new plan as of March 31, 2007. The 2007 Plan replaced both the Company's 1997 Stock Plan and the Supplemental Stock Option Plan and all available but unissued shares under these prior plans were cancelled as of April 1, 2007. At its 2007 annual stockholder meeting, the Company will seek stockholder approval of an increase in the number of shares reserved for issuance under the 2007 Plan by 5.0 million shares.

The total pre−tax intrinsic value of options exercised during fiscal 2007 was $75.5 million. This intrinsic value represents the difference between the fair market value of the Company's common stock on the date of exercise and the exercise price of each option.

Since the Company adopted the policy of retiring all repurchased shares of its common stock, new shares are issued upon employees' exercise of their stock options.

The following information relates to options outstanding and exercisable under the Option Plans at March 31, 2007:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Options Outstanding	Weighted Average Remaining Contractual Life(Years)	Weighted Average Exercise Price Per Share	Options Exercisable	Weighted Average Exercise Price Per Share
	(Shares in thousands)				
$8.42 − $21.81	10,205	2.14	$16.22	9,768	$ 16.03
$21.85 − $23.49	10,563	7.69	$23.07	5,855	$ 23.27
$23.53 − $27.35	9,715	8.14	$25.62	3,909	$ 25.70
$27.45 − $37.57	10,901	5.28	$33.02	9,262	$ 33.61
$37.60 − $42.46	10,192	5.96	$40.50	8,643	$ 40.60
$42.88 − $96.63	4,366	3.15	$71.16	4,366	$ 71.16
$8.42 − $96.63	55,942	5.62	$31.13	41,803	$ 32.68

At April 1, 2006, 45.2 million options were exercisable at an average price of $31.39. At April 2, 2005, 45.4 million options were exercisable at an average price of $29.25.

Employee Qualified Stock Purchase Plan

Under the Employee Stock Purchase Plan, qualified employees can obtain a 24−month purchase right to purchase the Company's common stock at the end of six−month exercise periods. Participation is limited to 15% of the employee's annual earnings up to a maximum of $21 thousand in a calendar year. More than 80% of all eligible employees participate in the Employee Stock Purchase Plan. The purchase price of the stock is 85% of the lower of the fair market value at the beginning of the 24−month offering period or at the end of each six−month exercise period. Employees purchased 2.0 million shares for $34.2 million in fiscal 2007, 1.4 million shares for $33.0 million in fiscal 2006 and 1.6 million shares for $32.1 million in fiscal 2005. On July 26, 2006, the stockholders approved an amendment to increase the authorized number of shares available for issuance under the Employee Stock Purchase Plan by 2.0 million shares. At March 31, 2007, 8.0 million shares were available for future issuance out of 36.5 million shares authorized. At its 2007 annual stockholder meeting, the Company will seek stockholder approval of an increase in the number of shares reserved for issuance under the Employee Stock Purchase Plan by 2.0 million shares.

Note 4. Investment in United Microelectronics Corporation

At March 31, 2007, the fair value of the Company's equity investment in UMC stock totaled $67.0 million on the Company's consolidated balance sheet. The Company accounts for its investment in UMC as available−for−sale marketable securities in accordance with SFAS 115.

The following table summarizes the cost basis and fair values of the investment in UMC:

	March 31, 2007		April 1, 2006	
	Adjusted Cost	Fair Value	Adjusted Cost	Fair Value
	(In thousands)			
Current portion	$ —	$ —	$ 32,235	$ 37,285
Long−term portion	62,537	67,050	206,807	239,209
Total investment	$ 62,537	$ 67,050	$ 239,042	$ 276,494

During fiscal 2007, the Company sold 325.9 million shares of its UMC investment for approximately $183.5 million in cash, resulting in a gain of approximately $7.0 million. The gain is included in interest and other, net in the consolidated statements of income. As of March 31, 2007, the Company held 115.5 million shares of UMC stock.

During fiscal 2007, the fair value of the UMC investment decreased by $209.4 million, including the sale of shares noted above. At March 31, 2007, the Company recorded a total of $1.7 million of deferred tax liabilities and a $2.8 million balance (net of tax) in accumulated other comprehensive income associated with the UMC investment.

Note 5. Financial Instruments

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

	March 31, 2007				April 1, 2006			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In thousands)							
Money market funds	$ 57,477	$ —	$ —	$ 57,477	$ 52,104	$ —	$ —	$ 52,104
Bank certificates of deposit	41,465	—	—	41,465	245,001	—	—	245,001
Commercial paper	722,690	—	—	722,690	404,581	—	—	404,581
Corporate bonds	85,902	83	(1,109)	84,876	160,123	—	(5,324)	154,799
Auction rate securities	148,835	4	—	148,839	121,307	—	(34)	121,273
Municipal bonds	95,948	317	(576)	95,689	438,912	207	(5,756)	433,363
U.S. and foreign government and agency securities	80,589	—	(445)	80,144	111,039	—	(2,765)	108,274
Floating rate notes	462,475	34	(128)	462,381	—	—	—	—
Mortgage−backed securities	50,288	114	(298)	50,104	—	—	—	—
Investment in UMC	62,537	4,513	—	67,050	239,042	37,452	—	276,494
Investment−other	2,724	—	(430)	2,294	52	86	—	138
	$ 1,810,930	$ 5,065	$ (2,986)	$ 1,813,009	$ 1,772,161	$ 37,745	$ (13,879)	$ 1,796,027
Included in:								
Cash and cash equivalents				$ 568,210				$ 701,686
Short−term investments				502,036				201,551
Long−term investments				675,713				616,296
Investment in UMC, current				—				37,285
Investment in UMC, long−term				67,050				239,209
				$ 1,813,009				$ 1,796,027

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, at March 31, 2007 and April 1, 2006:

	March31, 2007					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In thousands)					
Corporate bonds	$ 5,647	$ (55)	$ 71,966	$ (1,054)	$ 77,613	$ (1,109)
Municipal bonds	6,573	(6)	53,491	(570)	60,064	(576)
U.S. and foreign government and agency securities	14,942	(4)	34,102	(441)	49,044	(445)
Floating rate notes	249,626	(128)	—	—	249,626	(128)
Mortgage−backed securities	30,810	(298)	—	—	30,810	(298)
Investment−other	2,294	(430)	—	—	2,294	(430)
	$ 309,892	$ (921)	$ 159,559	$ (2,065)	$ 469,451	$ (2,986)

	April 1, 2006					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In thousands)					
Corporate bonds	$ 61,189	$ (2,326)	$ 92,820	$ (2,998)	$ 154,009	$ (5,324)
Auction rate securities	9,966	(34)	—	—	9,966	(34)
Municipal bonds	317,032	(4,501)	65,707	(1,255)	382,739	(5,756)
U.S. and foreign government and agency securities	67,148	(1,444)	41,086	(1,321)	108,234	(2,765)
	$ 455,335	$ (8,305)	$ 199,613	$ (5,574)	$ 654,948	$ (13,879)

The gross unrealized losses on these investments were primarily due to interest rate fluctuations and market−price movements. The Company reviewed the investment portfolio and determined that the gross unrealized losses on these investments at March 31, 2007 and April 1, 2006 were temporary in nature. The aggregate of individual unrealized losses that had been outstanding for 12 months or more were not significant as of March 31, 2007 and April 1, 2006. The Company has the ability and intent to hold these investments until recovery of their carrying values. The Company also believes that it will be able to collect both principal and interest amounts due to the Company at maturity, given the high credit quality of these investments.

The amortized cost and estimated fair value of marketable debt securities (bank certificates of deposit, commercial paper, corporate bonds, auction rate securities, municipal bonds, U.S. and foreign government and agency securities, floating rate notes and mortgage−backed securities) at March 31, 2007, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations without call or prepayment penalties.

	Amortized Cost	Estimated Fair Value
	(In thousands)	
Due in one year or less	$ 1,013,254	$ 1,012,769
Due after one year through five years	552,956	551,599
Due after five years through ten years	24,136	23,981
Due after ten years	97,846	97,839
	$ 1,688,192	$ 1,686,188

Certain information related to available−for−sale securities is as follows:

	2007	2006	2005
		(In thousands)	
Gross realized gains on sale of available−for−sale securities	$ 7,041	$ 169	$ 1,301
Gross realized losses on sale of available−for−sale securities	(6,227)	(5,150)	(796)
Net realized gains (losses) on sale of available−for−sale securities	$ 814	$ (4,981)	$ 505
Amortization of premiums on available−for−sale securities	$ (8,229)	$ (7,798)	$ (4,146)

Note 6. Balance Sheet Information

The following tables disclose those current assets, long−term other assets and current liabilities that individually exceed 5% of the respective consolidated balance sheet amounts at each fiscal year. Individual balances that are less than 5% of the respective consolidated balance sheet amounts are aggregated and disclosed as “other.”

	March 31, 2007	April 1, 2006
	(In thousands)	
Prepaid expenses and other current assets:		
Advances for wafer purchases	$ 39,999	$ 48,281
Income tax refunds receivable	30,641	28,624
Prepaid expenses	14,677	14,484
Interest receivable	6,818	10,229
Prepaid royalties	4,500	—
Other	8,341	18,266
	$ 104,976	$ 119,884
Other assets:		
Deferred tax assets	$ 57,802	$ 32,454
Affordable housing credit investments	37,671	45,878
Deferred compensation plan	25,174	19,071
Debt issuance costs	19,944	—
Investments in intellectual property and licenses	18,057	16,563
Investments in non−marketable equity securities	17,964	17,681
Prepaid royalties and patent license	7,027	—
Advances for wafer purchases	—	24,042
Other	7,234	8,113
	$ 190,873	$ 163,802
Accrued payroll and related liabilities:		
Accrued compensation	$ 48,042	$ 50,129
Deferred compensation plan liability	29,079	22,681
Other	6,828	6,450
	$ 83,949	$ 79,260

No individual amounts within other accrued liabilities exceed 5% of total current liabilities at March 31, 2007 or April 1, 2006.

Note 7. Impairment Losses

The Company recognized impairment losses on investments of $2.0 million, $1.4 million and $3.1 million during fiscal 2007, 2006 and 2005, respectively, related to non−marketable equity securities in private companies. These impairment losses resulted primarily from certain investees diluting Xilinx’s investment through the receipt of additional rounds of investment at a lower per share price or from the liquidation of certain investees.

Note 8. Commitments

Xilinx leases some of its facilities and office buildings under non−cancelable operating leases that expire at various dates through May 2017. During the third quarter of fiscal 2006, Xilinx entered into a land lease in conjunction with the Company's new building investment in Singapore. The lease cost was settled in an up−front payment in June 2006. Some of the operating leases for facilities and office buildings require payment of operating costs, including property taxes, repairs, maintenance and insurance. Approximate future minimum lease payments under non−cancelable operating leases are as follows:

Fiscal Year	(In thousands)
2008	$ 10,158
2009	8,829
2010	7,127
2011	5,870
2012	1,361
Thereafter	4,136
	$ 37,481

Most of the Company's leases contain renewal options for varying terms. Rent expense, net of rental income, under all operating leases was $8.7 million for fiscal 2007, $6.5 million for fiscal 2006 and $5.0 million for fiscal 2005.

In November 2005, Xilinx made an investment commitment of $37.0 million for a new building in Singapore, the Company's Asia Pacific regional headquarters. As of March 31, 2007, approximately $11.0 million of the Company's investment commitment remains outstanding. The project is expected to be completed in June 2007.

Other commitments at March 31, 2007 totaled $59.1 million and consisted of purchases of inventory and other non−cancelable purchase obligations related to subcontractors that manufacture silicon wafers and provide assembly and some test services. The Company expects to receive and pay for these materials and services in the next three to six months, as the products meet delivery and quality specifications. As of March 31, 2007, the Company also has $24.1 million of non−cancelable license obligations to providers of electronic design automation software and hardware/software maintenance expiring at various dates through December 2010.

In the fourth quarter of fiscal 2005, the Company committed up to $20.0 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.

Note 9. Net Income Per Common Share

The computation of basic net income per common share for all periods presented is derived from the information on the consolidated statements of income, and there are no reconciling items in the numerator used to compute diluted net income per common share. The total shares used in the denominator of the diluted net income per common share calculation includes 5.7 million, 6.0 million and 10.4 million common equivalent shares attributable to outstanding stock options for fiscal 2007, 2006 and 2005, respectively, that are not included in basic net income per common share.

Outstanding out−of−the−money stock options to purchase approximately 40.7 million, 31.1 million and 28.9 million shares, for fiscal 2007, 2006 and 2005, respectively, under the Company's stock option plans were excluded from diluted net income per common share, applying the treasury stock method, as their inclusion would have been antidilutive. These options could be dilutive in the future if the Company's average share price increases and is greater than the combined exercise prices and the unamortized fair values of these options.

Diluted net income per common share does not include any incremental shares issuable upon the exchange of the debentures (see Note 11). The debentures will have no impact on diluted net income per common share until the price of the Company's common stock exceeds the conversion price of $31.18 per share, because the principal amount of the debentures will be settled in cash upon conversion. Prior to conversion, the Company will include, in the diluted net income per common share calculation, the effect of the additional shares that may be issued when the Company's common stock price exceeds $31.18 per share, using the treasury stock method. The conversion price of $31.18 per common share excludes any potential adjustments to the conversion ratio provided under the terms of the debentures.

Note 10. Comprehensive Income

Comprehensive income is defined as the change in equity of a company during a period from transactions and other events and circumstances from nonowner sources. The difference between net income and comprehensive income for the Company results from unrealized gains (losses) on its available−for−sale securities, net of taxes, foreign currency translation adjustments and hedging transactions.

The components of comprehensive income are as follows:

	2007	2006	2005
		(In thousands)	
Net income	$350,672	$354,149	$312,723
Net change in unrealized gain (loss) on available−for−sale securities, net of tax	(16,943)	15,287	(55,828)
Reclassification adjustment for losses on available−for−sale securities, net of tax, included in earnings	3,423	1,892	71
Net change in unrealized gain (loss) on hedging transactions, net of tax	(105)	118	—
Net change in cumulative translation adjustment	1,417	(1,692)	897
Comprehensive income	$338,464	$369,754	$257,863

The components of accumulated other comprehensive income at fiscal year−ends are as follows:

	March 31, 2007	April 1, 2006
	(In thousands)	
Accumulated unrealized gain on available−for−sale securities, net of tax	$1,277	$14,797
Accumulated unrealized gain on hedging transactions, net of tax	13	118
Accumulated cumulative translation adjustment	2,311	894
Accumulated other comprehensive income	$3,601	$15,809

The change in the accumulated unrealized gain on available−for−sale securities, net of tax, at March 31, 2007, primarily reflects the decrease in value of the UMC investment since April 1, 2006 (see Note 4). In addition, the unrealized loss on the Company's short−term and long−term investments decreased by $11.2 million during fiscal 2007 due to liquidation of certain investments with loss positions and changes in interest rates.

Note 11. 3.125% Junior Subordinated Convertible Debentures

In March 2007, the Company issued $1.00 billion principal amount of 3.125% convertible debentures due March 15, 2037, to an initial purchaser in a private offering. The debentures are subordinated in right of payment to the Company's existing and future senior debt and to the other liabilities of the Company's subsidiaries. The debentures are initially convertible, subject to certain conditions, into shares of Xilinx common stock at a conversion rate of 32.0760 shares of common stock per $1 thousand principal amount of debentures, representing an initial effective conversion price of approximately $31.18 per share of common stock. The conversion rate will be subject to adjustment for certain events as outlined in the indenture governing the debentures but will not be adjusted for accrued interest. The Company received net proceeds of $980.0 million after deduction of issuance costs of $20.0 million. The debt issuance costs are recorded in long−term other assets and are being amortized to interest expense over 30 years. Interest is payable semiannually in arrears on March 15 and September 15, beginning on September 15, 2007. Interest expense related to the debentures for fiscal 2007 totaled $2.1 million and was included in interest and other, net on the consolidated statement of income. The debentures also have a contingent interest component that will require the Company to pay interest based on certain thresholds beginning with the semi−annual interest period commencing on March 15, 2014 (the maximum amount of contingent interest that will accrue is 0.50% per year) and upon the occurrence of certain events, as outlined in the indenture governing the debentures.

On or after March 15, 2014, the Company may redeem all or part of the debentures for the principal amount plus any accrued and unpaid interest if the closing price of the Company's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days during any 30 consecutive trading−day period prior to the date on which the Company provides notice of redemption. In addition, on or prior to August 27, 2007, the Company may redeem all or part of the debentures for cash at a premium if certain U.S. federal tax legislation, regulations or rules are enacted or are issued. Upon conversion, the Company would pay the holder the cash value

of the applicable number of shares of Xilinx common stock, up to the principal amount of the debentures. If the conversion value exceeds $1 thousand, the Company may also deliver, at its option, cash or common stock or a combination of cash and common stock for the conversion value in excess of $1 thousand (conversion spread). There would be no adjustment to the numerator in the net income per common share computation for the cash settled portion of the debentures as that portion of the debt instrument will always be settled in cash. The conversion spread will be included in the denominator for the computation of diluted net income per common share.

Holders of the debentures may convert their debentures only under the following circumstances: 1) during the five business−day period after any ten consecutive trading−day period in which the trading price per debenture was less than 98% of the product of the last reported sale price of Xilinx common stock and the applicable conversion rate, 2) during any fiscal quarter beginning after June 30, 2007, if the closing price of Xilinx common stock exceeds 130% of the applicable conversion price per share for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding quarter, 3) if Xilinx calls any or all of the debentures for redemption, at any time, 4) upon the occurrence of specified corporate transactions, or 5) during the last three months prior to maturity of the applicable debentures. In addition, holders of the debentures who convert their debentures in connection with a fundamental change, as defined in the indenture, may be entitled to a make−whole premium in the form of an increase in the conversion rate. Additionally, in the event of a fundamental change, the holders of the debentures may require Xilinx to purchase all or a portion of their debentures at a purchase price equal to 100% of the principal amount of debentures, plus accrued and unpaid interest, if any. As of March 31, 2007, none of the conditions allowing holders of the debentures to convert had been met.

The Company concluded that the embedded features related to the contingent interest payments, the tax legislation redemption provision and the Company making specific types of distributions (e.g., extraordinary dividends) qualify as derivatives and should be bundled as a compound embedded derivative under SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities” (SFAS 133). The fair value of the derivative at the date of issuance of the debentures was $2.5 million and is accounted for as a discount on the debentures. The initial fair value of the debentures of $997.5 million will be accreted to par value over the term of the debt resulting in $2.5 million being amortized to interest expense over 30 years. Any change in fair value of this embedded derivative will be included in interest and other, net on the Company’s consolidated statement of income. The fair value of the derivative as of March 31, 2007 was $2.1 million. The balance of the convertible debentures on the Company’s consolidated balance sheet at March 31, 2007 was $999.6 million, including the fair value of the embedded derivative. The Company also concluded that the debentures are not conventional convertible debt instruments and that the embedded stock conversion option qualifies as a derivative under SFAS 133. In addition, in accordance with EITF 00−19 “Accounting for Derivative Financial Instruments indexed to and Potentially Settled in a Company’s own Stock,” the Company has concluded that the embedded conversion option would be classified in stockholders’ equity if it were a freestanding instrument. Accordingly, the embedded conversion option is not required to be accounted for separately as a derivative.

Under the terms of the debentures, the Company is required to use reasonable efforts to file a shelf registration statement covering resales of the debentures and any common stock issuable upon conversion of the debentures with the SEC and cause the shelf registration statement to be declared effective within 180 days of the closing of the offering of the debentures. In addition, the Company must maintain the effectiveness of the shelf registration statement for a period of two years after the closing of the offering of the debentures. If the Company fails to meet these terms, it will be required to pay additional interest on the debentures at a rate per annum equal to 0.25% for the first 90 days after the occurrence of the event and 0.50% after the first 90 days. The Company plans to file the shelf registration statement with the SEC in June 2007.

In connection with the closing of the sale of the debentures, $930.0 million of the net proceeds from the issuance of the debentures was used to repurchase 34.6 million shares of the Company’s common stock under the Company’s stock repurchase program.

Note 12. Stockholders' Equity

Preferred Stock

The Company's Certificate of Incorporation authorized 2.0 million shares of undesignated preferred stock. The preferred stock may be issued in one or more series. The Board of Directors is authorized to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of preferred stock. As of March 31, 2007 and April 1, 2006, no preferred shares were issued or outstanding.

Common Stock Repurchase Programs

The Board of Directors has approved stock repurchase programs enabling the Company to repurchase its common stock in the open market or through negotiated transactions with independent financial institutions. During the first quarter of fiscal 2007, the Company completed its $350.0 million repurchase program announced in April 2005 by repurchasing 2.8 million shares for $73.9 million. Beginning in the first quarter and ending in the fourth quarter of fiscal 2007, the Company repurchased all of the common stock approved for repurchase under the $600.0 million repurchase program announced in February 2006 by repurchasing 24.3 million shares for $600.0 million. On February 26, 2007, the Board authorized the repurchase of up to an additional $1.50 billion of common stock. This share repurchase program has no stated expiration date. Through March 31, 2007, the Company had repurchased $756.1 million of the $1.50 billion of common stock approved for repurchase under the February 2007 authorization. Between all three repurchase programs the Company repurchased a total of $1.43 billion of common stock during fiscal 2007. Beginning with the third quarter of fiscal 2006, the Company adopted the policy of retiring all repurchased shares, and consequently, no treasury shares were held at March 31, 2007 or April 1, 2006.

During all four quarters of fiscal 2007 and 2006, the Company entered into stock repurchase agreements with independent financial institutions. Under these agreements, Xilinx provided these financial institutions with up−front payments totaling $1.05 billion for fiscal 2007 and $350.0 million for fiscal 2006. These financial institutions agreed to deliver to Xilinx a certain number of shares based upon the volume weighted−average price, during an averaging period, less a specified discount. Under the terms of the accelerated share repurchase program (ASR) entered into during the fourth quarter of fiscal 2007, the Company paid $700.0 million upfront in exchange for a minimum number of shares of its common stock, which were delivered to the Company before the fiscal year end. The $700.0 million was recorded in stockholders' equity in fiscal 2007. Upon completion of the ASR, the Company may receive up to an additional 1.9 million shares in either the first or second quarter of fiscal 2008, depending on the volume weighted−average price, during an averaging period, less a specified discount. If additional shares are received in either the first or second quarter of fiscal 2008, a reclassification adjustment will be recorded within stockholders' equity in that period. In addition, under the guidelines of Rule 10b5−1 under the Exchange Act, Xilinx entered into other agreements with the same independent financial institutions within the first, second and fourth quarters of fiscal 2007 and the first and second quarters of fiscal 2006 to repurchase additional shares on its behalf. As of April 1, 2006, no amounts remained outstanding under any stock repurchase agreements.

During fiscal 2007, 2006 and 2005, the Company repurchased a total of 55.2 million, 15.0 million and 4.4 million shares of common stock for $1.43 billion, $400.0 million and $134.6 million, respectively, as adjusted for accrued and unsettled transactions and including the amounts purchased by the financial institutions and remitted to the Company.

Dividend

On February 26, 2007, the Board of Directors approved an increase to the Company's quarterly common stock dividend from $0.09 per common share to $0.12 per common share, which is payable on May 30, 2007 to stockholders of record at the close of business on May 9, 2007.

Note 13. Income Taxes

The provision for income taxes consists of the following:

		2007	2006	2005
			(In thousands)	
Federal:	Current	$ 36,088	$ 42,382	$ (3,025)
	Deferred	31,739	29,804	57,414
		67,827	72,186	54,389
State:	Current	14,383	4,130	(608)
	Deferred	(24,531)	(2,148)	1,478
		(10,148)	1,982	870
Foreign:	Current	22,912	29,909	31,902
	Deferred	(117)	(1,624)	660
		22,795	28,285	32,562
Total		$ 80,474	$ 102,453	$ 87,821

The domestic and foreign components of income before income taxes were as follows:

	2007	2006	2005
Domestic	$ 17,215	$ 59,966	$ 59,042
Foreign	413,931	396,636	341,502
Income before income taxes	$ 431,146	$ 456,602	$ 400,544

The tax benefits associated with stock option exercises and the employee stock purchase plan credited to additional paid−in capital were $35.8 million, $40.6 million and $51.9 million, for fiscal 2007, 2006 and 2005, respectively.

At March 31, 2007, the Company has federal and state net operating loss carryforwards of approximately $18.7 million. If unused, these carryforwards will expire in 2008 through 2026. The Company has federal and state R&D tax credit carryforwards of approximately $93.5 million, federal affordable housing tax credit carryforwards of approximately $37.8 million and other state credit carryforwards of approximately $1.1 million. If unused, $76.3 million of the tax credit carryforwards will expire in 2019 through 2027.

Unremitted foreign earnings that are considered to be permanently invested outside the United States and on which no U.S. taxes have been provided, are approximately $477.4 million as of March 31, 2007. The residual U.S. tax liability, if such amounts were remitted, would be approximately $142.4 million.

The provision for income taxes reconciles to the amount obtained by applying the Federal statutory income tax rate to income before provision for taxes as follows:

	2007	2006	2005
		(In thousands)	
Income before provision for taxes	$ 431,146	$ 456,602	$ 400,544
Federal statutory tax rate	35%	35%	35%
Computed expected tax	150,901	159,811	140,190
State taxes, net of federal benefit	(2,938)	(1,233)	565
Non−deductible stock−based compensation	4,976	—	—
Tax exempt interest	(3,542)	(4,196)	(4,370)
Foreign earnings at lower tax rates	(51,775)	(51,430)	(41,508)
Effect of IRS settlements	—	(9,434)	(4,669)
Tax credits	(12,323)	(7,674)	(9,304)
Dividend (American Jobs Creation Act)	—	24,886	—
Correction of deferred accounting for investment in UMC	—	(9,816)	—
Release of valuation allowance	(90)	(8,936)	—
Deferred compensation	(703)	3,752	3,924
Write−off of in−process R&D	—	1,575	2,519
Other	(4,032)	5,148	474
Provision for income taxes	$ 80,474	$ 102,453	$ 87,821

The Company has manufacturing operations in Ireland and Singapore. In Ireland, the Company operates under a special tax regime granted for manufacturing status. Under this regime, the majority of the income earned in Ireland is subject to tax at 10%. The regime granting manufacturing status is effective through fiscal 2010. The tax benefit from this special status for fiscal 2007 is approximately $1.7 million on income considered permanently reinvested outside the United States. The Company has been granted "Pioneer Status" in Singapore that is effective through fiscal 2021. The Pioneer Status reduces the Company's tax on the majority of Singapore income from 20% to zero. The benefit of Pioneer Status in Singapore for fiscal 2007 is approximately $15.8 million ($0.05 per common share) on income considered permanently reinvested outside the United States. The tax effect of these low tax jurisdictions on the Company's overall tax rate is reflected in the table above.

The major components of deferred tax assets and liabilities consist of the following at March 31, 2007 and April 1, 2006:

	2007	2006
	(In thousands)	
Deferred tax assets:		
Inventory valuation differences	$ 11,962	$ 10,686
Stock−based compensation	25,996	—
Deferred income on shipments to distributors	34,234	35,713
Accrued expenses	36,417	33,523
Tax loss carryforwards	9,586	7,454
Tax credit carryforwards	132,380	139,858
Intangible and fixed assets	11,370	5,906
Strategic and equity investments	8,083	10,448
Deferred compensation plan	11,688	9,008
Other	6,995	2,083
Total deferred tax assets	288,711	254,679
Deferred tax liabilities:		
Unremitted foreign earnings	(192,018)	(129,107)
Capital gain from merger of USIC with UMC	(13,276)	(48,001)
Unrealized gains on available−for−sale securities	(802)	(9,069)
State income taxes	(23,312)	(14,791)
Other	(3,486)	(2,392)
Total deferred tax liabilities	(232,894)	(203,360)
Valuation allowance	0	(90)
Total net deferred tax assets	$ 55,817	$ 51,229

Deferred tax assets of $57.8 million and $32.5 million at March 31, 2007 and April 1, 2006, respectively, are included in other assets on the consolidated balance sheet (see Note 6).

The Company was examined by the IRS for fiscal 1996 through 2001 tax years. All issues were settled with the exception of issues related to the cost sharing of stock options. 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 the Company that no amount for stock options was to be included in the cost sharing agreement, and thus, the Company had no tax, interest or penalties due for this issue. The decision was entered by the Tax Court on May 31, 2006. On August 25, 2006, the IRS appealed the decision to the Ninth Circuit Court of Appeals. The Company is opposing this appeal, as it believes that the Tax Court decided the case correctly. Management has assessed the risk of loss, and determined that no accrual is required. If the Company were to lose on appeal, the amount due to the IRS would be approximately $39.3 million. Of that amount, only $6.2 million would be an expense to the consolidated statement of income and the remaining $33.1 million would be an adjustment to additional paid−in capital. The Company would also be required to reverse $5.9 million of interest income accrued to date on prepayments to the IRS.

Note 14. Segment Information

Xilinx designs, develops, and markets programmable logic semiconductor devices and the related software design tools. The Company operates and tracks its results in one operating segment. Xilinx sells its products to OEMs and to electronic components distributors who resell these products to OEMs or subcontract manufacturers.

Enterprise wide information is provided in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." Geographic revenue information for fiscal 2007, 2006 and 2005 reflects the geographic location of the distributors or OEMs who purchased the Company's products. This may differ from the geographic location of the end customers. Long−lived assets include property, plant and equipment and goodwill. Property, plant and equipment information is based on the physical location of the asset at the end of each fiscal year while goodwill is based on the location of the owning entity.

Net revenues by geographic region were as follows:

	2007	2006	2005
		(In thousands)	
North America:			
United States	$ 727,443	$ 676,778	$ 609,604
Other	3,894	38,074	45,505
Total North America	731,337	714,852	655,109
Asia Pacific:			
China	159,389	162,400	161,300
Other	307,223	244,321	206,567
Total Asia Pacific	466,612	406,721	367,867
Europe	426,922	352,841	326,100
Japan	217,868	251,836	224,157
Worldwide Total	$ 1,842,739	$ 1,726,250	$ 1,573,233

Net long−lived assets by country at fiscal year−ends were as follows:

	March 31, 2007	April 1, 2006	April 2, 2005
		(In thousands)	
United States	$399,472	$384,751	$371,380
Foreign:			
Ireland	73,254	74,919	78,908
Singapore	44,300	12,881	5,743
Other	13,965	10,790	7,900
Total Foreign	131,519	98,590	92,551
Worldwide total	$530,991	$483,341	$463,931

Note 15. Litigation Settlements and Contingencies

Internal Revenue Service

On August 25, 2006, the IRS filed a Notice of Appeal that it appeals to the U.S. Court of Appeal for the Ninth Circuit, the August 30, 2005 decision of the Tax Court. In its 2005 decision, the Tax Court decided in favor of the Company and rejected the IRS's position that the value of compensatory stock options must be included in the Company's cost sharing agreement with its Irish affiliate. The Company is opposing this appeal as it believes that the Tax Court decided the case correctly. Management has assessed the risk of loss, and determined that no accrual is required (see Note 13).

The IRS recently began an audit of the Company's fiscal 2005 income tax return. The Company believes that adequate amounts have been reserved for any adjustments which may ultimately result.

Other than as stated above, the Company knows of no legal proceedings contemplated by any governmental authority or agency against the Company.

Patent Litigation

On October 17, 2005, a patent infringement lawsuit was filed by Lizy K. John (John) against Xilinx in the U.S. District Court for the Eastern District of Texas, Marshall Division. John sought an injunction, unspecified damages and attorneys' fees.

On November 27, 2006, the Company settled the patent infringement lawsuit with John, under which the Company agreed to pay $6.5 million. John agreed to dismiss the patent infringement lawsuit with prejudice, granted a patent license to the Company and executed an agreement not to sue the Company under any patent owned or controlled by John for ten years. As a result of the settlement agreement, the Company recorded a current period charge of $2.5 million during the third quarter of fiscal 2007. The remaining balance of $4.0 million represented the value of the prepaid patent license granted as part of the settlement. This balance will be amortized over the asset's remaining useful life.

SEC Informal Inquiry

On June 22, 2006, the Company received notice from the SEC advising that the SEC had commenced an informal inquiry into the Company's historical stock option−granting practices. The notice included an informal request for documents. Based on the results of the investigation performed by outside counsel at the direction of a Special Committee of the Board of Directors and the Company's analysis of the facts, the Company took a $2.2 million charge to its earnings for the first quarter of fiscal 2007. The charge was based on the difference between recorded grant dates and measurement dates in certain stock option grants between 1997 and 2006. The investigation found no evidence of fraud in the Company's practices in granting of stock options, nor any evidence of manipulation of the timing or exercise price of stock option grants. The investigation further found no issues of management integrity in the issuance of stock options. The investigation determined that in nearly all cases, stock options were issued as of pre−set dates. The Special Committee and the Board of Directors declared the investigation to be concluded.

On November 28, 2006, the SEC formally notified the Company that its investigation of the Company's stock option granting practices was terminated and that no enforcement action was recommended.

Stockholder Derivative Lawsuits

On June 2, 2006, a Xilinx stockholder filed a derivative complaint in the U.S. District Court for the Northern District of California (*Murphy v. Roelandts et al., Case No. C 06 3564 RMW*), purportedly on behalf of the Company, against members of the Company's Board of Directors and against certain of the Company's officers. The complaint alleged, among other things, that defendants mismanaged corporate assets and breached their fiduciary duties between 1998 and the date of filing by authorizing or failing to halt the backdating of certain stock options. The complaint also alleged that the officer defendants were unjustly enriched by their receipt and retention of the backdated stock option grants and that the Company issued false and misleading proxy statements in fiscal 2002 and 2003.

On June 28, 2006, a second Xilinx stockholder filed a separate, but substantially similar, derivative complaint in the U.S. District Court for the Northern District of California (*Blum v. Roelandts et al., Case No. C 06 4016 JW*), purportedly on behalf of the Company, against members of the Company's Board of Directors and against certain of the Company's officers. The complaint alleged, among other things, that defendants mismanaged corporate assets and breached their fiduciary duties between 1998 and the date of filing by authorizing or failing to halt the backdating of certain stock options. The complaint also alleged that defendants were unjustly enriched by the receipt and retention of the backdated stock option grants and that certain of the defendants sold Xilinx stock for a profit while in possession of material, non−public information. The complaint also alleged that the Company issued false and misleading financial disclosures and proxy statements from fiscal 1998 through 2006. In addition, the complaint alleged that defendants engaged in a fraudulent scheme to divert millions of dollars to themselves via improper option grants.

The two stockholder derivative complaints were consolidated into one stockholder derivative case. On January 8, 2007, the U.S. District Court for the Northern District of California dismissed the consolidated stockholder derivative lawsuit.

Sales Representative Agreements Litigation

In the second quarter of fiscal 2006, the Company accrued an additional $3.2 million that represented the settlement payment for the Rep'tronic litigation.

Other Matters

Except as stated above, there are no pending legal proceedings of a material nature to which the Company is a party or of which any of its property is the subject.

Note 16. Business Combinations

AccelChip, Inc.

In January 2006, Xilinx completed the acquisition of AccelChip, Inc. (AccelChip), a privately−held company that provides MATLAB(R) synthesis software tools for designing digital signal processing systems. The AccelChip acquisition aligns with Xilinx's strategy for its existing DSP products and product development roadmaps, since both AccelChip and Xilinx have significant customer overlap and synergy across the digital communications, multimedia, video and imaging, and defense systems market segments. The acquisition was accounted for under the purchase method of accounting. The total purchase price for AccelChip was $19.6 million in cash, including $436 thousand of acquisition related costs. In connection with the transaction, Xilinx recorded a charge to operations for acquired in−process research and development of $4.5 million. In addition, Xilinx recorded approximately $8.9 million of goodwill and $9.7 million of other intangible assets, which resulted in amortization expense of approximately $500 thousand in fiscal 2006. The financial results for AccelChip are included in the Company's consolidated results from the date of acquisition. Pro forma information is not presented due to the immateriality of the operating results of AccelChip prior to the acquisition. Xilinx had an equity investment in AccelChip of $2.6 million prior to the acquisition. The investment, which was included in the total purchase price of $19.6 million, was previously accounted for under the cost method of accounting.

Following is the purchase price allocation based on the estimated fair value of the assets acquired and liabilities assumed. Management considered a number of factors, including an independent appraisal and expected uses of assets and dispositions of liabilities, in determining the final purchase price allocation.

	Amount (In thousands)	Amortization Life
Current assets	$ 126	
Long−term tangible assets	46	
Goodwill	8,874	
Other intangible assets:		
Developed technology	6,100	5 years
Customer base	1,800	3 years
Tradename	1,800	3 years
Acquired in−process research and development	4,500	
Liabilities assumed	261	
Deferred tax liabilities	(3,880)	
Total purchase price	$ 19,627	

Hier Design Inc.

In June 2004, Xilinx completed the acquisition of Hier Design Inc. (HDI), a privately held electronic design automation company with expertise in hierarchical floorplanning and analysis software for high−performance field programmable gate array design. The acquisition was accounted for under the purchase method of accounting. The total purchase price for HDI was $20.7 million in cash plus $275 thousand of acquisition related costs. In connection with the transaction, Xilinx recorded a charge to operations for acquired in−process research and development of approximately $7.2 million. In addition, Xilinx recorded approximately $7.8 million of goodwill and $9.9 million of other intangible assets. The financial results for HDI are included in the Company's consolidated results from the date of acquisition. Pro forma information is not presented due to the immateriality of the operating results of HDI prior to the acquisition.

Following is the purchase price allocation based on the estimated fair value of the assets acquired and liabilities assumed. Management considered a number of factors, including an independent appraisal and expected uses of assets and dispositions of liabilities, in determining the final purchase price allocation.

	Amount	Amortization Life
	(In thousands)	
Current assets	$ 21	
Long−term tangible assets	29	
Goodwill	7,811	
Other intangible assets:		
Developed technology	8,797	5 years
Noncompete agreements	704	2.5 years
Patents	417	5 years
Acquired in−process research and development	7,198	
Deferred tax liabilities	(3,967)	
Total purchase price	$ 21,010	

Note 17. Goodwill and Acquisition−Related Intangibles

As of March 31, 2007 and April 1, 2006, the gross and net amounts of goodwill and of acquisition−related intangibles for all acquisitions were as follows:

	2007	2006	Amortization Life
	(In thousands)		
Goodwill−gross	$ 169,479	$ 176,608	
Less accumulated amortization through fiscal 2002	51,524	51,524	
Goodwill−net	$ 117,955	$ 125,084	
Noncompete agreements−gross	$ 24,304	$ 24,304	2.5 to 3 years
Less accumulated amortization	24,304	24,116	
Noncompete agreements−net	0	188	
Patents−gross	22,752	22,752	5 to 7 years
Less accumulated amortization	18,714	15,288	
Patents−net	4,038	7,464	
Miscellaneous intangibles−gross	58,958	58,958	2 to 5 years
Less accumulated amortization	48,370	43,959	
Miscellaneous intangibles−net	10,588	14,999	
Total acquisition−related intangibles−gross	106,014	106,014	
Less accumulated amortization	91,388	83,363	
Total acquisition−related intangibles−net	$ 14,626	$ 22,651	

The goodwill balance at March 31, 2007, compared to the balance at April 1, 2006, reflects the reduction for tax adjustments of $7.1 million related to the AccelChip and RocketChips' acquisitions.

Amortization expense for all intangible assets for fiscal 2007, 2006 and 2005 was $8.0 million, $7.0 million and $6.7 million, respectively. Intangible assets are amortized on a straight−line basis. Based on the carrying value of acquisition−related intangibles recorded at March 31, 2007, and assuming no subsequent impairment of the underlying assets, the annual amortization expense for acquisition−related intangibles is expected to be as follows: 2008 − $6.8 million; 2009 − $5.3 million; 2010 − $1.5 million; 2011 − $1.0 million.

Note 18. Employee Benefit Plans

Xilinx offers various retirement benefit plans for U.S. and non−U.S. employees. Total contributions to these plans were $5.9 million, $5.4 million and $5.1 million in fiscal 2007, 2006 and 2005, respectively. For employees in the U.S., the Company provides discretionary 401(k) contributions when performance targets are met. As permitted under Section 401(k) of the Internal Revenue Code, Xilinx's 401(k) Plan (the 401(k) Plan) allows tax deferred salary deductions for eligible employees. The Compensation Committee of the Board of Directors administers the 401(k) Plan. Participants in the 401(k) Plan may make salary deferrals of up to 25% of the eligible annual

salary, limited by the maximum dollar amount allowed by the Internal Revenue Code. Effective January 1, 2003, participants who have reached the age of 50 before the close of the plan year may be eligible to make catch−up salary deferral contributions, up to 25% of eligible annual salary, limited by the maximum dollar amount allowed by the Internal Revenue Code.

The Company allows its U.S.−based officers, director−level employees, and its board members to defer a portion of their compensation under the Deferred Compensation Plan (the Plan). The Compensation Committee administers the Plan. At March 31, 2007, there were approximately 99 participants in the Plan who self−direct their contributions into investment options offered by the Plan. The Plan does not allow Plan participants to directly invest in Xilinx's stock. In the event Xilinx becomes insolvent, Plan assets are subject to the claims of the Company's general creditors. There are no Plan provisions that provide for any guarantees or minimum return on investments. At March 31, 2007, Plan assets were $25.2 million and obligations were $29.1 million. At April 1, 2006, Plan assets were $19.1 million and obligations were $22.7 million.

Note 19. Subsequent Event

On April 18, 2007, Xilinx entered into a five−year $250.0 million senior unsecured revolving credit facility with a syndicate of banks. Borrowings under the credit facility will bear interest at a benchmark rate plus an applicable margin based upon the Company's credit rating. In connection with the credit facility, the Company will be required to maintain certain financial and non−financial covenants. The Company has made no borrowings under the credit facility as of this filing.

REPORT OF ERNST & YOUNG LLP,
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Xilinx, Inc.

We have audited the accompanying consolidated balance sheets of Xilinx, Inc. as of March 31, 2007 and April 1, 2006, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2007. Our audits also included the financial statement schedule listed in the Index at Part IV, Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Xilinx, Inc. at March 31, 2007 and April 1, 2006, and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 2007, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, on April 2, 2006, the Company adopted Statement of Financial Accounting Standards No. 123(R), "Share−Based Payment."

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Xilinx, Inc.'s internal control over financial reporting as of March 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 29, 2007 expressed an unqualified opinion thereon.

/S/ ERNST& YOUNGLLP

San Jose, California
May 29, 2007

REPORT OF ERNST & YOUNG LLP,
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Xilinx, Inc.

We have audited management's assessment, included in the accompanying Management Report on Internal Control Over Financial Reporting, that Xilinx, Inc. maintained effective internal control over financial reporting as of March 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Xilinx, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Xilinx, Inc. maintained effective internal control over financial reporting as of March 31, 2007, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Xilinx, Inc. maintained, in all material respects, effective internal control over financial reporting as of March 31, 2007, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Xilinx, Inc. as of March 31, 2007 and April 1, 2006, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2007 of Xilinx, Inc. and our report dated May 29, 2007 expressed an unqualified opinion thereon.

/S/ ERNST& YOUNGLLP

San Jose, California
May 29, 2007

XILINX, INC.
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

Description	Beginning of Year	Charged (Credited) to Income	Deductions (c)	Balance at Endof Year
		(In thousands)		
For the year ended April 2, 2005:				
Allowance for doubtful accounts	$3,813	$ —	$ 10	$ 3,803
Allowance for customer returns	$ 176	$ (103)	$ 7	$ 66
For the year ended April 1, 2006:				
Allowance for doubtful accounts	$3,803	$ 582(a)	$ 783	$ 3,602
Allowance for customer returns	$ 66	$ 90	$ 61	$ 95
For the year ended March 31, 2007:				
Allowance for doubtful accounts	$3,602	$ 519(b)	$ 466	$ 3,655
Allowance for customer returns	$ 95	$ (4)	$ 9	$ 82

(a) In fiscal 2006, the amount includes $382 of allowance recorded in the acquisition of AccelChip which was not charged to operations.

(b) In fiscal 2007, the amount represents recovery of bad debts that were previously charged against the allowance for doubtful accounts which had no impact on operations.

(c) Represents amounts written off against the allowances or customer returns.

SUPPLEMENTARY FINANCIAL DATA

Quarterly Data (Unaudited)

Year ended March 31, 2007 (1)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share amounts)			
Net revenues	$481,362	$467,180	$450,725	$443,472
Gross margin	289,303	286,600	272,762	275,431
Income before income taxes (2)	107,467(3)	119,288(4)	103,117(5)	101,274(6)
Net income	82,491	93,046	87,509	87,626
Net income per common share: (7)				
Basic	$ 0.24	$ 0.27	$ 0.26	$ 0.27
Diluted	$ 0.24	$ 0.27	$ 0.26	$ 0.27
Shares used in per share calculations:				
Basic	341,853	339,431	334,062	325,115
Diluted	348,988	343,192	339,669	330,243
Cash dividends declared per common share	$ 0.09	$ 0.09	$ 0.09	$ 0.09

(1) Xilinx uses a 52− to 53−week fiscal year ending on the Saturday nearest March 31. Fiscal 2007 was a 52−week year and each quarter was a 13−week quarter.

(2) The Company adopted the provisions of SFAS 123(R) in fiscal 2007. Results for fiscal 2006 do not include the effects of stock−based compensation (see Notes 2 and 3 to our consolidated financial statements in Item 8: “Financial Statements and Supplementary Data”).

(3) Income before income taxes includes stock−based compensation related to prior years of $2,209 and an impairment loss on investments of $437.

(4) Income before income taxes includes a gain of $5,993 from the sale of a portion of the Company’s UMC investment.

(5) Income before income taxes includes a loss related to litigation settlements and contingencies of $2,500, an impairment loss on investments of $1,513 and a gain of $1,023 from the sale of a portion of the Company's UMC investment.

(6) Income before income taxes includes a charge of $5,934 related to an impairment of a leased facility that the Company no longer intends to occupy.

(7) Net income per common share is computed independently for each of the quarters presented. Therefore, the sum of the quarterly per common share information may not equal the annual net income per common share.

Year ended April 1, 2006 (1)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share amounts)			
Net revenues	$405,379	$398,929	$449,605	$472,337
Gross margin	246,897	244,961	283,129	294,144
Income before income taxes	99,793	98,254(2)	130,780	127,775(3)
Net income	76,841	85,598(4)	80,969(5)	110,741(6)
Net income per common share: (7)				
Basic	$ 0.22	$ 0.25	$ 0.23	$ 0.32
Diluted	$ 0.21	$ 0.24	$ 0.23	$ 0.32
Shares used in per share calculations:				
Basic	350,705	349,254	348,203	344,683
Diluted	358,038	356,360	353,237	350,241
Cash dividends declared per common share	$ 0.07	$ 0.07	$ 0.07	$ 0.07

(1) Xilinx uses a 52− to 53−week fiscal year ending on the Saturday nearest March 31. Fiscal 2006 was a 52−week year and each quarter was a 13−week quarter.

(2) Income before income taxes includes a loss related to litigation settlements and contingencies of $3,165.

(3) Income before income taxes includes a write−off of acquired in−process research and development of $4,500 related to the acquisition of AccelChip and an impairment loss on investments of $1,418.

(4) Net income includes a tax benefit resulting from the favorable ruling by the U.S. Tax Court for Xilinx of $9,434.

(5) Net income includes a net increase in federal and state tax expense (net of federal benefit) of $25,310 (prior to true−up in the fourth quarter of fiscal 2006) for the tax effect of the $500,000 repatriation dividend, offset by a release of valuation allowance of $5,903 relating to California R&D credits.

(6) Net income includes a tax benefit of $8,884 for the correction of certain individually immaterial adjustments primarily related to prior periods.

(7) Net income per common share is computed independently for each of the quarters presented. Therefore, the sum of the quarterly per common share information may not equal the annual net income per common share.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Report on Financial Statements

The management of Xilinx is responsible for the integrity and objectivity of the accompanying financial statements and related information. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and include amounts based on judgments and estimates by management.

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out, under the supervision of and with the participation of Xilinx, Inc.'s management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a–15(e) and 15d–15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon the controls evaluation, our CEO and CFO have concluded that, as of the end of the period covered by this Form 10−K, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

There was no change in our internal control over financial reporting (as defined in Rules 13a−15(f) and 15d−15(f) under the Exchange Act) during the most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting of the Company to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. This system of internal control is designed to provide reasonable assurance that assets are safeguarded and transactions are properly recorded and executed in accordance with management's authorization. The design, monitoring and revision of the system of internal control over financial reporting involves, among other things, management's judgments with respect to the relative cost and expected benefits of specific control measures. The effectiveness of the system of internal control over financial reporting is supported by the selection, retention and training of qualified personnel and an organizational structure that provides an appropriate division of responsibility and formalized procedures. The system of internal control is periodically reviewed and modified in response to changing conditions.

Because of its inherent limitations, no matter how well designed, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect all misstatements or all fraud. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time. Our system contains self−monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Management has used the framework in the Report '*Internal Control — Integrated Framework*' issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to evaluate the effectiveness of the system of internal control over financial reporting. Based on this evaluation, management has concluded that the Company's system of internal control over financial reporting was effective as of March 31, 2007.

Management's assessment of the effectiveness of the Company's internal control over financial reporting has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included in Part II, Item 8. of this Form 10−K.

ITEM 9B. OTHER INFORMATION

On February 9, 2007, Mr. Kris Chellam, our former Senior Vice President, Corporate and Enterprise Services announced his retirement, which we reported on a Current Report on Form 8−K. In connection with Mr. Chellam's retirement, on February 26, 2007, we entered into a letter agreement with Mr. Chellam. The letter agreement provides for a separation payment, a consulting agreement through the end of calendar 2007 and the amendment of the post termination exercise period for vested options held by Mr. Chellam as of his termination date. A copy of the letter agreement is attached as Exhibit 10.22 to this Annual Report on Form 10−K and is incorporated herein by reference.

PART III

Certain information required by Part III is omitted from this Report in that the Registrant will file a definitive proxy statement pursuant to Regulation 14A under the Exchange Act (the Proxy Statement) not later than 120 days after the end of the fiscal year covered by this Report, and certain information included therein is incorporated herein by reference. Only those sections of the Proxy Statement that specifically address the items set forth herein are incorporated by reference. Such incorporation does not include the Compensation Committee Report included in the Proxy Statement.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information concerning the Company's directors required by Item 401 of Regulation S−K is incorporated by reference to the section entitled "Proposal One−Election of Directors" in our Proxy Statement.

The information concerning the Company's executive officers required by Item 401 of Regulation S−K is incorporated by reference to Item 1. "Business – Executive Officers of the Registrant" within this Form 10−K.

The information required by Item 405 of Regulation S−K is incorporated by reference to the section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement.

The information required by Item 406 of Regulation S−K is incorporated by reference to the section entitled "Board of Directors – Principles of Corporate Governance" in our Proxy Statement.

The information required by Items 407(c)(3), 407(d)(4) and 407(d)(5) of Regulation S−K is incorporated by reference to the section entitled "Director Independence, Board Meetings and Committees" in our Proxy Statement.

Our codes of conduct and ethics and significant corporate governance principles are available on the investor relations page of our website at *www.investor.xilinx.com*. Printed copies of these documents are also available to stockholders upon written request directed to Corporate Secretary, Xilinx, Inc., 2100 Logic Drive, San Jose CA 95124.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 402 of Regulation S−K is incorporated by reference to the sections entitled "Compensation of Directors" and "Executive Compensation and Related Information" in our Proxy Statement.

The information required by Item 407(e)(4) of Regulation S−K is incorporated by reference to the section entitled "Compensation Committee Interlocks and Insider Participation" in our Proxy Statement.

The information required by Item 407(e)(5) of Regulation S−K is incorporated by reference to the section entitled "Report of the Compensation Committee of the Board of Directors" in our Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 403 of Regulation S−K is incorporated by reference to the section entitled "Security Ownership of Certain Beneficial Owners and Management" in our Proxy Statement. The information required by Item 201(d) of Regulation S−K is set forth below. The table below sets forth certain information as of March 31, 2007 about the Company's Common Stock that may be issued upon the exercise of options, warrants and rights under all of our existing equity compensation plans (shares in thousands):

	A	B	C
Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants andRights	Weighted−average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in Column A)
Equity Compensation Plans Approved by Security Holders			
1988 Stock Option Plan	1,119	$10.81	0
1997 Stock Plan	54,757	$31.56	23,582(1)
2007 Plan	0	N/A	10,000(2)
Employee Stock Purchase Plan	N/A	N/A	7,981
Total—Approved Plans	55,876	$31.14	41,563
Equity Compensation Plans *NOT* Approved by Security Holders (3)			
Supplemental Stock Option Plan (4)	15	$32.66	2,185
Total—All Plans	55,891	$31.14	43,748

(1) The Company ceased issuing options under the 1997 Stock Plan as of April 1, 2007. The 1997 Stock Plan expired on May 8, 2007 and all available but unissued shares under this plan were cancelled. This number includes additional shares that became available under a five−year evergreen program that was approved by stockholders in 1999. The final allotment of 13.6 million shares, approved by the Board on April 8, 2004, marked the end of the Company's five−year evergreen program.

(2) On July 26, 2006, the stockholders approved the adoption of the 2007 Plan and authorized 10.0 million shares to be reserved for issuance thereunder. The new plan became effective on January 1, 2007, but no awards had been granted under the new plan as of March 31, 2007. The 2007 Plan replaced both the Company's 1997 Stock Plan (which expired on May 8, 2007) and the Supplemental Stock Option Plan. All of the shares reserved for issuance under the 2007 Plan may be granted as stock options, stock appreciation rights, restricted stock or restricted stock units.

(3) In November 2000, the Company acquired RocketChips. Under the terms of the merger, the Company assumed all of the stock options previously issued to RocketChips' employees pursuant to four different stock option plans. A total of approximately 807 thousand option shares were assumed by the Company. Of this amount, a total of 51 thousand option shares, with an average weighted exercise price of $18.71, remained outstanding as of March 31, 2007. These option shares are excluded from the above table. All of the options assumed by the Company remain subject to the terms of the RocketChips' stock option plan under which they were issued. Subsequent to acquiring RocketChips, the Company has not made any grants or awards under any of the RocketChips' stock option plans and the Company has no intention to do so in the future.

(4) Under the Supplemental Stock Option Plan, options were granted to employees and consultants of the Company, however neither officers nor members of our Board of Directors were eligible for grants under the Supplemental Stock Option Plan. Only non−qualified stock options were granted under the Supplemental Stock Option Plan (that is, options that do not entitle the optionee to special U.S. income tax treatment) and such options generally expire not later than 12 months after the optionee ceases to be an employee or consultant. Upon a merger of the Company with or into another company, or the sale of substantially all of the Company's assets, each option granted under the Supplemental Stock Option Plan may be assumed or substituted with a similar option by the acquiring company, or the outstanding options will become exercisable in connection with the merger or sale.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 404 of Regulation S−K is incorporated by reference to the section entitled "Related Transactions" in our Company's Proxy Statement.

The information required by Item 407(a) of Regulation S−K is incorporated by reference to the section entitled "Director Independence, Board Meetings and Committees" in our Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference to the sections entitled "Ratification of Appointment of External Auditors" and "Fees Paid to Ernst & Young LLP" in our Company's Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) The financial statements required by Item 15(a) are included in Item 8 of this Annual Report on Form 10−K.

(2) The financial statement schedule required by Item 15(a) (Schedule II, Valuation and Qualifying Accounts) is included in Item 8 of this Annual Report on Form 10−K.
Schedules not filed have been omitted because they are not applicable, are not required or the information required to be set forth therein is included in the financial statements or notes thereto.

(3) The exhibits listed below in (b) are filed or incorporated by reference as part of this Annual Report on Form 10−K.

(b) Exhibits

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of the Company, as amended to date
3.2(1)	Bylaws of the Company, as amended and restated as of May 3, 2006
4.1	Indenture dated March 5, 2007 between the Company as Issuer and the Bank of New York Trust Company, N.A. as Trustee
4.2	Registration Rights Agreement dated March 5, 2007 between the Company and J.P. Morgan Securities Inc.
10.5(2)*	1988 Stock Option Plan, as amended
10.6(4)*	1990 Employee Qualified Stock Purchase Plan, as amended
10.7(4)*	1997 Stock Plan and Form of Stock Option Agreement
10.8(2)*	Form of Indemnification Agreement between the Company and its officers and directors
10.9(5)*	Letter Agreement dated as of January 5, 1996 of the Company to Willem P. Roelandts
10.12.1(6)(7)	Foundry Venture Agreement dated as of September 14, 1995 between the Company and United Microelectronics Corporation (UMC)
10.12.2(6)(7)	FabVen Foundry Capacity Agreement dated as of September 14, 1995 between the Company and UMC
10.12.3(6)(7)	Written Assurances Re: Foundry Venture Agreement dated as of September 29, 1995 between UMC and the Company
10.13.1(5)(6)	Advance Payment Agreement entered into on May 17, 1996 between Seiko Epson Corporation (Seiko) and the Company
10.13.2(3)(6)	Amended and Restated Advance Payment Agreement with Seiko dated December 12, 1997
10.15(6)(8)	Letter Agreement dated January 13, 2000 between the Company and UMC
10.16(9)*	Supplemental Stock Option Plan
10.17(10) *	Xilinx, Inc., Executive Compensation under “Pay for Xilinx Performance” Incentive Program
10.18(11)	Xilinx, Inc. Master Distribution Agreement with Avnet, Inc.
10.19*(12)	Letter Agreement dated June 2, 2005 between the Company and Jon A. Olson
10.20*(13)	Separation Agreement effective May 3, 2006 between the Company and Richard Sevcik
10.21*(14)	Letter Agreement dated October 20, 2006 between the Company and Iain M. Morris
10.22*	Letter Agreement dated February 26, 2007 between the Company and Kris Chellam
10.23*	2007 Equity Incentive Plan
10.24*	Form of Stock Option Agreement under 2007 Equity Incentive Plan

Exhibit Number	Description
10.25*	Form of Restricted Stock Unit Agreement under 2007 Equity Incentive Plan
21.1	Subsidiaries of the Company
23.1	Consent of Independent Registered Public Accounting Firm
24.1	Power of Attorney (included in the signature page)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes−Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes−Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes−Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes−Oxley Act of 2002

(1) Filed as an exhibit to the Company's Annual Report on Form 10−K for the fiscal year ended April 1, 2006

(2) Filed as an exhibit to the Company's Registration Statement on Form S−1 (File No. 33−34568) which was declared effective June 11, 1990

(3) Filed as an exhibit to the Company's Quarterly Report on Form 10−Q for the quarter ended December 27, 1997

(4) Filed as an exhibit to the Company's Registration Statement on Form S−8 (File No. 333−127318) effective August 9, 2005

(5) Filed as an exhibit to the Company's Annual Report on Form 10−K for the fiscal year ended March 30, 1996

(6) Confidential treatment requested as to certain portions of these documents

(7) Filed as an exhibit to the Company's Quarterly Report on Form 10−Q for the quarter ended September 30, 1995

(8) Filed as an exhibit to the Company's Annual Report on Form 10−K for the fiscal year ended April 1, 2000

(9) Filed as an exhibit to the Company's Annual Report on Form 10−K for the fiscal year ended March 30, 2002

(10) Filed as an exhibit to the Company's Annual Report on Form 10−K for the fiscal year ended April 2, 2005

(11) Filed as an exhibit to the Company's Quarterly Report on Form 10−Q for the quarter ended October 1, 2005

(12) Filed as an exhibit to Amendment No. 1 to the Company's Quarterly Report on Form 10−Q for the quarter ended July 2, 2005

(13) Filed as an exhibit to the Company's Current Report on Form 8−K dated May 3, 2006

(14) Filed as an exhibit to the Company's Current Report on Form 8−K dated November 2, 2006

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to the Company's Annual Report on Form 10−K pursuant to Item 15(b) herein

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10−K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Jose, State of California, on the 30th day of May 2007.

XILINX, INC.

By: /s/ WILLEMP. ROELANDTS
Willem P. Roelandts,
President, Chief Executive Officer and Chairman of the Board of Directors

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Willem P. Roelandts and Jon A. Olson, jointly and severally, his/her attorneys−in−fact, each with the power of substitution, for him/her in any and all capacities, to sign any amendments to this Annual Report on Form 10−K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys−in−fact, or his/her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934 this Annual Report on Form 10−K has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ WILLEMP. ROELANDTS (Willem P. Roelandts)	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	May 30, 2007
/s/ JONA. OLSON (Jon A. Olson)	Senior Vice President, Finance and Chief Financial Officer (Principal Accounting and Financial Officer)	May 30, 2007
/s/ JOHNL. DOYLE (John L. Doyle)	Director	May 30, 2007
/s/ JERALDG. FISHMAN (Jerald G. Fishman)	Director	May 30, 2007
/s/ PHILIPT. GIANOS (Philip T. Gianos)	Director	May 30, 2007
/s/ WILLIAMG. HOWARD, JR. (William G. Howard, Jr.)	Director	May 30, 2007
/s/ J. MICHAELPATTERSON (J. Michael Patterson)	Director	May 30, 2007
/s/ MARSHALLC. TURNER (Marshall C. Turner)	Director	May 30, 2007
/s/ ELIZABETHW. VANDERSLICE (Elizabeth W. Vanderslice)	Director	May 30, 2007

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "XILINX, INC.", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF SEPTEMBER, A.D. 2000, AT 3 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Edward J. Freel, Secretary of State

2221167 8100

001469056

AUTHENTICATION: 0680105

DATE: 09-18-00

CERTIFICATE OF AMENDMENT OF

CERTIFICATE OF INCORPORATION OF

XILINX, INC.

XILINX, INC., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), pursuant to the provisions of the General Corporation Law of the State of Delaware (the "GCL"), DOES HEREBY CERTIFY as follows:

FIRST: The Certificate of Incorporation of the Corporation is hereby amended by deleting the first paragraph of ARTICLE FOURTH of the Certificate of Incorporation in its present form and substituting therefor a new first paragraph of ARTICLE FOURTH in the following form:

"This Corporation is authorized to issue two classes of stock, designated "Common Stock," $.01 par value, and "Preferred Stock," $.01 par value. The total number of shares of all classes of stock which the Corporation has authority to issue is Two Billion and Two Million (2,002,000,000), consisting of Two Billion (2,000,000,000) shares of Common Stock and Two Million (2,000,000) share of Preferred Stock."

SECOND: The amendment to the Certificate of Incorporation of the Corporation set forth in this Certificate of Amendment has been duly adopted in accordance with the provisions of Section 242 of the GCL (a) the Board of Directors of the corporation having duly adopted a resolution setting forth such amendment and declaring its advisability and submitting it to the stockholders of the Corporation for their approval, and (b) the stockholders of the Corporation having duly adopted such amendment by a vote of the holders of a majority of the outstanding stock entitled to vote thereon at the Corporation's August 10, 2000 annual meeting of stockholders.

IN WITNESS WHEREOF, XILINX, INC. has caused this Certificate to be signed and attested by its duly authorized officers this 15th of September, 2000.

XILINX, INC.

By: Willem P. Roelandts

Willem P. Roelandts
President and
Chief Executive Officer

ATTEST:

By: Thomas R. Lavelle

Thomas R. Lavelle
General Counsel and
Vice President

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "XILINX, INC.", FILED IN THIS OFFICE ON THE THIRTIETH DAY OF OCTOBER, A.D. 1990, AT 10 O'CLOCK A.M.

Edward J. Freel, Secretary of State

AUTHENTICATION:

2221167 8100

DATE: 8489733

971177985

**RESTATED CERTIFICATE OF INCORPORATION
OF XILINX, INC.
(PURSUANT TO SECTION 245 OF THE
DELAWARE GENERAL CORPORATION LAW)**

Bernard V. Vonderschmitt and Larry W. Sonsini certify that:

1. They are the President and Secretary, respectively, of Xilinx, Inc., a Delaware corporation, which filed its original Certificate of Incorporation on February 5, 1990 and amended its Certificate of Incorporation on March 1, 1990 and May 24, 1990.

2. The Certificate of Incorporation of this Corporation is hereby restated and integrated (but not further amended) to read as follows:

"FIRST: The name of the Corporation is Xilinx, Inc. (the "Corporation").

SECOND: The address of the Corporation's registered office in the State of Delaware is corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, zip code 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General corporation Law of Delaware.

FOURTH: This Corporation is authorized to issue two classes of shares, designated "Common Stock", $.01 par value, and "Preferred Stock", $.01 par value. The total number of shares which this Corporation is authorized to issue is 52,000,000. The number of shares of Preferred Stock which this Corporation is authorized to issue is 2,000,000. The number of shares of Common Stock which this Corporation is authorized to issue is 50,000,000.

The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of this Corporation is authorized to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock, and within the limitations or restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, to increase or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any such series

subsequent to the issue of shares of that series, to determine the designation of any series and to fix the number of shares of any series.

FIFTH: The corporation is to have perpetual existence.

SIXTH: Elections of directors need not be by written ballot unless a stockholder demands election by written ballot at the meeting and before voting begins or unless the Bylaws of the Corporation shall so provide.

SEVENTH: The number of directors which constitute the whole Board of Directors of the Corporation shall be designated in the Bylaws of the corporation.

EIGHTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter, amend or repeal the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by the Delaware General Corporation Law as the same exists or as may hereafter be amended, no director of the corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

Neither any amendment nor repeal of this Article, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

TENTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside of the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ELEVENTH: Following the effectiveness of the registration of any class of securities of the Corporation pursuant to the requirements of the Securities Exchange Act of 1934, as amended, no action shall be taken by the stockholders of the Corporation except at an annual or special meeting of stockholders called in accordance with the Bylaws and no

action shall be taken by the stockholders by written consent."

3. The foregoing Restated Certificate of Incorporation has been duly approved and adopted by the Board of Directors in accordance with Section 245(b) of the Delaware General Corporation Law ("DGCL").

4. In accordance with Section 245(b) of the DGCL, no stockholder approval of the foregoing Restated Certificate of Incorporation was required as the Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Certificate of Incorporation as heretofore amended or supplemented and now in effect. There is no discrepancy between the provisions of the Certificate of Incorporation as heretofore amended or supplemented and now in effect and the provisions of the foregoing Restated Certificate of Incorporation.

We hereby further declare and certify under penalty of perjury under the laws of the State of Delaware that the facts set forth in the foregoing certificate are true and correct of our own knowledge and that this Certificate is our act and deed.

Executed at San Jose, California, this 17th day of October, 1990.

B.V.V 10/17/90
Bernard V. Vonderschmitt

Attested: Larry W. Sonsini

XILINX, INC.

as Issuer

AND

THE BANK OF NEW YORK TRUST COMPANY, N.A.

as Trustee

Indenture

Dated as of March 5, 2007

3.125% Junior Subordinated Convertible Debentures due 2037

TABLE OF CONTENTS

ARTICLE 7
REDEMPTION

ARTICLE 8
FUNDAMENTAL CHANGES AND REPURCHASES THEREUPON

ARTICLE 9
CONVERSION

ARTICLE 10
EVENTS OF DEFAULT; REMEDIES

ARTICLE 11
CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

ARTICLE 12
THE TRUSTEE

ARTICLE 13
HOLDERS' LISTS AND REPORTS BY TRUSTEE

ARTICLE 14
SATISFACTION AND DISCHARGE

ARTICLE 15
SUPPLEMENTAL INDENTURES

INDENTURE, dated as of March 5, 2007, between Xilinx, Inc., a corporation duly organized and existing under the laws of the State of Delaware, as Issuer (the "**Company**"), having its principal office at 2100 Logic Drive, San Jose, California 95124 and The Bank of New York Trust Company, N.A., as Trustee (the "**Trustee**").

RECITALS OF THE COMPANY

WHEREAS, the Company has duly authorized the creation of an issue of 3.125% Junior Subordinated Convertible Debentures due 2037 (each a "**Security**" and collectively, the "**Securities**") of the tenor and amount hereinafter set forth, and to provide therefor the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things necessary to make the Securities, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid and legally binding obligations of the Company, and to make this Indenture a valid and legally binding agreement of the Company, in accordance with the terms of the Securities and the Indenture, have been done;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, for and in consideration of the premises and the purchases of the Securities by the Holders thereof, it is mutually agreed, for the benefit of the Company and the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. *Definitions*. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(i) the terms defined in this Article 1 have the meanings assigned to them in this Article and include the plural as well as the singular;

(ii) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(iii) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; and

(iv) the words "herein," "hereof' and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"**Act**" when used with respect to any Holder, has the meaning specified in Section 1.04.

"**Additional Interest**" shall mean Additional Interest as defined in the Registration Rights Agreement.

"**Additional Shares**" has the meaning specified in Section 9.06(a).

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agent Members**" has the meaning specified in Section 3.08.

"**Bid Solicitation Agent**" means an independent nationally recognized securities dealer selected by the Company to solicit market bid quotations for the Securities, which shall in no event be an Affiliate of the Company.

"**Board of Directors**" means, with respect to any Person, either the board of directors of such Person or any duly authorized committee of that board.

"**Board Resolution**" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is closed.

"**Capital Stock**" means any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock and, with respect to partnerships, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership.

"**Cash Percentage**" has the meaning specified in Section 9.03(e).

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Commission**" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"**Common Stock**" means the shares of common stock, par value $0.01 per share, of the Company as they exist on the date of this Indenture or any other shares of Capital Stock of the Company into which the Common Stock shall be reclassified or changed or, in the event of a merger, consolidation or other similar transaction involving the Company that is otherwise permitted hereunder in which the Company is not the surviving corporation, the common stock, common equity interests, ordinary shares or depositary shares or other certificates representing common equity interests of such surviving corporation or its direct or indirect parent corporation.

"**Company**" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"**Company Request**" or "**Company Order**" means a written request or order signed in the name of the Company by its Chairman of the Board of Directors, its Vice Chairman of the Board of Directors, its Chief Executive Officer, its President or any Vice President, its Chief Financial Officer, its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary and delivered to the Trustee.

"**Comparable Yield Rate**" means 7.20%, compounded semi−annually.

"**Compounded Interest**" has the meaning specified in Section 4.06(b).

"**Contingent Debt Regulations**" has the meaning specified in Section 6.14(a).

"**Contingent Interest**" has the meaning specified in Section 4.02(a).

"**Conversion Agent**" means the Trustee or such other office or agency designated by the Company where Securities may be presented for conversion.

"**Conversion Date**" has the meaning specified in Section 9.02(b).

"**Conversion Notice**" has the meaning specified in Section 9.02(b).

"**Conversion Price**" means as of any date $1,000 divided by the Conversion Rate as of such date.

"**Conversion Rate**" has the meaning specified in Section 9.01(a).

"**Conversion Parity Value**" means, with respect to any Redemption Date, the product of (i) the Conversion Rate in effect on such date and (ii) the average of the Volume−Weighted Average Prices of the Common Stock for the 20 consecutive Trading Days ending on the Trading Day immediately preceding the applicable Redemption Date.

"**Corporate Trust Office**" means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date of this Indenture, located at The Bank of New York Trust Company, N.A., 700 South Flower Street, Suite 500, Los Angeles, California 90017, Attention: Corporate Trust Administration, and shall mean for purposes of Section 6.02 c/o The Bank of New York, 101 Barclay Street, New York, New York 10286, Attention: Corporate Trust Administration.

"**Corporation**" means a corporation, association, company, joint−stock company or business trust.

"**Custodian**" means The Bank of New York Trust Company, N.A., as custodian with respect to the Securities in global form, or any successor entity.

"**Daily Conversion Value**" means, for each of the 20 consecutive Trading Days during the Observation Period, 5.0% of the product of (i) the applicable Conversion Rate and (ii) the Daily VWAP of the Common Stock on such Trading Day.

"**Daily Settlement Amount**" has the meaning specified in Section 9.03(b).

"**Daily Share Amount**" has the meaning specified in Section 9.03(b).

"**Daily VWAP**" means, for each of the 20 consecutive Trading Days during the Observation Period, the per share Volume−Weighted Average Price as displayed under the heading "Bloomberg VWAP" on Bloomberg page "XLNX.UQ lt;equity> AQR" (or its equivalent successor if such page is not available) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such Trading Day (or if such Volume−Weighted Average Price is unavailable, the market value of one share of Common Stock on such Trading Day determined, using a volume−weighted method, by a nationally recognized independent investment banking firm retained for such purpose by the Company), *provided*, that after consummation of a Fundamental Change in which the consideration is comprised entirely of cash, the Daily VWAP will be deemed to be the cash price per share received by holders of the Common Stock in such Fundamental Change.

"**Default**" means any event that is or with the passage of time or the giving of notice or both would become an Event of Default.

"**Deferred Interest**" means any Interest that is accrued and unpaid and the payment of which has been deferred as a result of the Company's declaration of an Extension Period.

"**Depositary**" means The Depository Trust Company until a successor Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "**Depositary**" shall mean such successor Depositary.

"**Designated Senior Debt**" means, with respect to the Company, obligations under any Senior Debt in which the instrument creating or evidencing such Senior Debt or the assumption or guarantee thereof (or related agreements or documents to which the Company is a party) expressly provides that such Senior Debt shall be "Designated Senior Debt" for purposes of this Indenture. The instrument, agreement or other document evidencing any Designated Senior Debt may place limitations and conditions on the right of such Senior Debt to exercise the rights of Designated Senior Debt.

"**Distributed Property**" has the meaning specified in Section 9.04(c).

"**Downside Trigger**" means $600 per $1,000 Principal Amount of Securities during the period prior to March 15, 2018. Beginning on March 15, 2018, and ending on March 15, 2036, inclusive, the Downside Trigger will increase in increments of $10 per $1,000 Principal Amount of Securities per semi−annual period for the payment of Regular Interest on March 15 and September 15 of each year within such period. As an example, the Downside Trigger will be $620 per $1,000 Principal Amount of Securities during the period commencing on September 15, 2018, and ending on March 14, 2019.

"**Effective Date**" has the meaning specified in Section 9.06(b).

"**Event of Default**" has the meaning specified in Section 10.01.

"**Ex Date**" means, with respect to any dividend, distribution or issuance on the Common Stock or any other equity security, the first date on which the shares of the Common Stock or such other equity security trade on the applicable exchange or in the applicable market, regular way, without the right to receive such dividend, distribution or issuance.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Exchange Rate Contract**" means, with respect to any Person, any currency swap agreement, forward exchange rate agreement, foreign currency future or option, exchange rate collar agreement, exchange rate insurance or other agreement or arrangement, or combination thereof, the principal purpose of which is to provide protection against fluctuations in currency exchange rates. An Exchange Rate Contract may also include an Interest Rate Agreement.

"**Extension Period**" has the meaning specified in Section 4.06.

"**Extraordinary Dividend**" has the meaning specified in Section 4.02(a).

"**Fundamental Change**" means the occurrence of any of the following events at any time after the Securities are originally issued:

(1) a “person” or “group” within the meaning of Section 13(d) of the Exchange Act other than the Company, its Subsidiaries or its or their employee benefit plans, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate “beneficial owner,” as defined in Rule 13d−3 under the Exchange Act, of the Company’s common equity representing more than 50% of the total voting power of the Company’s Capital Stock entitled to vote generally in elections of directors;

(2) consummation of any share exchange, consolidation or merger of the Company pursuant to which the Common Stock will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any Person other than one of the Company’s Subsidiaries; *provided*, *however* that a transaction where (i) the Common Stock is not changed or exchanged except to the extent necessary to reflect a change in the Company’s jurisdiction of incorporation or (ii) the holders of more than 50% of all classes of the Company’s common equity immediately prior to such transaction own, directly or indirectly, more than 50% of the aggregate voting power of all shares of Capital Stock of the continuing or surviving corporation or transferee immediately after such event shall not be a Fundamental Change;

(3) the Company’s stockholders approve any plan or proposal for the liquidation or dissolution of the Company; or

(4) the Common Stock, or other common stock into which the Securities are then convertible, ceases to be listed for trading on a United States national securities exchange or quoted on an established automated over−the−counter trading market in the U.S.

A Fundamental Change as a result of clause (2) above will not be deemed to have occurred, however, if not less than 90% of the consideration received or to be received by the Company’s common stockholders, excluding cash payments for fractional shares and cash payments made in respect of dissenters’ rights, in the transaction or transactions otherwise constituting the Fundamental Change consists of Publicly Traded Securities and, as a result of such transaction or transactions, the Securities become convertible into such Publicly Traded Securities and cash as described in Section 9.07.

“**Fundamental Change Company Notice**” has the meaning specified in Section 8.01(b).

“**Fundamental Change Repurchase Date**” has the meaning specified in Section 8.01(a).

"**Fundamental Change Repurchase Notice**" has the meaning specified in Section 8.01(a).

"**Fundamental Change Repurchase Price**" has the meaning specified in Section 8.01(a).

"**GAAP**" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, in each case, as in effect in the United States on the date hereof.

"**Global Security**" means a Security in global form registered in the Security Register in the name of a Depositary or a nominee thereof.

"**Holder**" or "**Securityholder**" means a Person in whose name a Security is registered in the Security Register.

"**Indebtedness**" means, with respect to any Person, without duplication, (i) any indebtedness or obligation, whether contingent or not, (1) evidenced by a credit or loan agreement, note, bond, debenture or similar written obligation or instrument (whether or not the recourse of the lender is to the whole of the assets of such Person or to only a portion thereof) or (2) for money borrowed, (ii) all obligations (1) as lessee under leases required to be capitalized on such Person's balance sheet under GAAP or (2) as lessee under other leases for facilities, capital equipment or related assets, whether or not capitalized, entered into or leased for financing purposes, (iii) all obligations under Interest Rate Agreements, Exchange Rate Contracts, treasury management agreements or similar agreements or arrangements, (iv) all obligations and liabilities (contingent or otherwise) of such Person with respect to letters of credit, bankers' acceptances and similar facilities (including reimbursement obligations with respect to the foregoing), (v) all obligations and liabilities (contingent or otherwise) of such Person issued or assumed as the deferred purchase price of any property or services (but excluding trade accounts payable and accrued liabilities arising in the ordinary course of business), (vi) obligations of the type described in clauses (i) through (v) above of any third party and all dividends of any third party the payment of which, in either case, such Person has assumed or guaranteed, or for which the Person first referenced above is responsible or liable, directly or indirectly, jointly or severally, as obligor, guarantor or otherwise, or that are secured by a lien on such Person's property and (vii) any and all renewals, extensions, modifications, replacements, restatements and refundings of, or any indebtedness or obligation issued in exchange for, any indebtedness, obligation or liability of the kinds described in clauses (i) through (vi). The amount of any Indebtedness outstanding as of any date shall be the accreted value thereof, in the case of any Indebtedness issued with original issue discount. The amount of any Indebtedness outstanding as of

any date with respect to any Exchange Rate Contract or Interest Rate Agreement shall be the termination value thereof. Indebtedness shall not include liabilities for taxes of any kind.

"**Indenture**" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively.

"**Initial Conversion Value**" means $833.3345.

"**Initial Purchaser**" means J.P. Morgan Securities Inc.

"**Interest**" means (i) Regular Interest, (ii) Contingent Interest, if any, (iii) Deferred Interest, if any, (iv) Additional Interest, if any, and (v) Compounded Interest, if any.

"**Interest Payment Date**" means (x) with respect to any payment of Interest other than Interest payable upon designation of an Extraordinary Dividend or a prepayment of Deferred Interest, each March 15 and September 15 of each year, beginning September 15, 2007, (y) with respect to Interest payable upon designation of an Extraordinary Dividend, the date specified by the Company's Board of Directors for the payment of such Interest in accordance with Section 4.02(a)(ii) and (z) with respect to a prepayment of Deferred Interest, the date specified for such prepayment by the Company.

"**Interest Rate Agreement**" means, with respect to any Person, any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement the principal purpose of which is to protect the party indicated therein against fluctuations in interest rates.

"**Investment Company Act**" means the Investment Company Act of 1940 and any statutory successor thereto, in each case as amended from time to time.

"**Issue Date**" means the date the Securities are originally issued as set forth on the face of the Security under this Indenture.

"**Last Reported Sale Price**" means, on any date, the closing sale price per share of the Common Stock (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date as reported in composite transactions by the principal U.S. national or regional securities exchange on which the Common Stock is listed for trading. If the Common Stock is not listed for trading on a U.S. national or regional securities exchange on such date, the "Last Reported Sale Price" shall mean the last quoted bid price for the Common Stock in the over−the−counter market on such date as reported by the National

Quotation Bureau Incorporated or any successor organization thereto. If the Common Stock is not so quoted, the "Last Reported Sale Price" shall mean the average of the mid−point of the last bid and ask prices for the Common Stock on such date from each of at least three nationally recognized independent investment banking firms selected by the Company for such purpose.

"**Legal Holiday**" has the meaning specified in Section 1.14.

"**Majority Owned**" means, with respect to an entity, that another entity has "beneficial ownership" (as defined in Rule 13(d)(3) under the Exchange Act) of more than 50% of the total voting power of all shares of the first entity's Capital Stock that are entitled to vote generally in the election of directors. "Majority Owner" has the correlative meaning.

"**Make−Whole Fundamental Change**" mean any event described in clause (1), (2) or (3) of the definition of "Fundamental Change."

"**Market Disruption Event**" means, if the Common Stock is listed on a U.S. national or regional securities exchange, the occurrence or existence during the one−half hour period ending on the scheduled close of trading on any Trading Day for the Common Stock of any material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options, contracts or future contracts relating to the Common Stock.

"**Maturity**," when used with respect to any Security, means the date on which the principal, Redemption Price or Fundamental Change Repurchase Price of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity, on a Redemption Date or Fundamental Change Repurchase Date, by declaration of acceleration or otherwise.

"**Measurement Period**" has the meaning specified in Section 9.01(a).

"**Non−Payment Default**" has the meaning specified in Section 5.02(b).

"**Notice of Default**" has the meaning specified in Section 10.01(f).

"**Observation Period**" with respect to any Security means the 20 consecutive Trading Day period beginning on and including the second Trading Day after the related Conversion Date, except that (i) with respect to any Conversion Date occurring after the date of issuance of a notice of redemption, Observation Period means the 20 consecutive Trading Days beginning on and including the 22nd scheduled Trading Day prior to the applicable Redemption Date and (ii) with respect to any conversion occurring during the period beginning on December 15, 2036, and ending at 5:00 p.m., New York City time, on the second Scheduled Trading Day immediately prior to the Stated Maturity of the Securities, Observation Period means the first 20 Trading Days beginning on and

including the 22nd Scheduled Trading Day prior to the Stated Maturity of the Securities.

"**Officers' Certificate**" means a certificate signed by any two of the Chairman of the Board of Directors, the President, any Vice President, the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, in each case of the Company, and delivered to the Trustee. One of the officers signing an Officers' Certificate given pursuant to Section 6.05 shall be the principal executive, financial or accounting officer of the Company.

"**Opinion of Counsel**" means a written opinion of counsel, who may be external or in−house counsel for the Company, and who shall be reasonably acceptable to the Trustee.

"**Outstanding,**" when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or accepted by the Trustee for cancellation;

(ii) Securities, or portions thereof, for whose payment, redemption or repurchase money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; *provided* that if such Securities are to be redeemed or repurchased prior to the maturity thereof, notice of such redemption or repurchase shall have been given to the Holders as herein provided, or provision satisfactory to a Responsible Officer of the Trustee shall have been made for giving such notice;

(iii) Securities that have been paid or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture; and

(iv) Securities converted into Common Stock pursuant to Article 9;

provided, *however* that, in determining whether the Holders of the requisite Principal Amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have

been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"**Paying Agent**" means any Person (including the Company) authorized by the Company to pay the Principal Amount of, Interest on, or Redemption Price or Fundamental Change Repurchase Price of, any Securities on behalf of the Company. The Trustee shall initially be the Paying Agent.

"**Payment Blockage Notice**" has the meaning specified in Section 5.02(b).

"**Payment Default**" has the meaning specified in Section 5.02(a).

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Physical Securities**" means permanent certificated Securities in registered form issued in denominations of $1,000 Principal Amount and integral multiples thereof.

"**Principal Amount**" of a Security means the Principal Amount as set forth on the face of the Security.

"**Publicly Traded Securities**" means shares of Common Stock that are traded on a national securities exchange or quoted on an established automated over−the−counter trading market in the U.S. or with respect to transactions described in the definition of "Fundamental Change," which will be so traded or quoted when issued or exchanged in connection with such event.

"**Purchase Agreement**" means the Purchase Agreement, dated February 27, 2007, entered into by the Company and the Initial Purchaser in connection with the sale of the Securities.

"**Qualified Institutional Buyer**" or "**QIB**" shall have the meaning specified in Rule 144A.

"**Record Date**" means (x) with respect to any payment of Interest, other than Interest payable upon designation of an Extraordinary Dividend or a prepayment of Deferred Interest, each March 1 and September 1 (whether or not a Business Day), (y) with respect to the payment of Interest payable upon designation of an Extraordinary Dividend, the record date specified by the Company's Board of Directors for the payment of such Interest in accordance with Section 4.02(a)(ii) and (z) with respect to a prepayment of Deferred Interest, the record date specified with respect to such prepayment by the Company.

"**Regular Interest**" has the meaning specified in Section 4.01(a).

"**Redemption Date**" shall mean the date specified for redemption of the Securities in accordance with the terms of the Securities and Article 7 hereof.

"**Redemption Price**" has the meaning specified in Section 7.01(b).

"**Reference Property**" has the meaning specified in Section 9.07.

"**Registration Rights Agreement**" means the Registration Rights Agreement, dated as of March 5, 2007, between the Company and the Initial Purchaser, for the benefit of itself and the Holders, as the same may be amended or modified from time to time in accordance with the terms thereof.

"**Representative**" means the (i) indenture trustee or other trustee, agent or representative for any Senior Debt or (ii) with respect to any Senior Debt that does not have any such trustee, agent or other representative, (1) in the case of such Senior Debt issued pursuant to an agreement providing for voting arrangements as among the holders or owners of such Senior Debt, any holder or owner of such Senior Debt acting with the consent of the required Persons necessary to bind such holders or owners of such Senior Debt and (2) in the case of all other such Senior Debt, the holder or owner of such Senior Debt.

"**Resale Registration Statement**" means a registration statement under the Securities Act registering the Securities for resale pursuant to the terms of the Registration Rights Agreement.

"**Responsible Officer**" means any officer of the Trustee within the Corporate Trust Office of the Trustee with direct responsibility for the administration of this Indenture and also, with respect to a particular matter, any other officer of the Trustee to whom such matter is referred because of such officer's knowledge and familiarity with the particular subject.

"**Restricted Global Security**" means a Global Security representing Restricted Securities.

"**Restricted Security**" or "**Restricted Securities**" has the meaning specified in Section 2.05.

"**Rule 144**" means Rule 144 under the Securities Act (including any successor rule thereto), as the same may be amended from time to time.

"**Rule 144A**" means Rule 144A under the Securities Act (including any successor rule thereto), as the same may be amended from time to time.

"**Rule 144A Information**" has the meaning specified in the Securities.

"**Scheduled Trading Day**" means a day that is scheduled to be a Trading Day on the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted for trading.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"**Security**" or "**Securities**" has the meaning specified in the first paragraph of the Recitals of the Company.

"**Security Register**" and "**Security Registrar**" have the respective meanings specified in Section 3.05.

"**Senior Debt**" means, with respect to the Company, the principal of (and premium, if any) and interest (including all interest accruing subsequent to the commencement of any bankruptcy or similar proceeding, whether or not a claim for post−petition interest is allowable as a claim in any such proceeding) on, and all fees and other amounts payable in connection with, any Indebtedness of the Company, whether absolute or contingent, secured or unsecured, due or to become due, outstanding on the date of this Indenture or thereafter created, incurred, assumed or guaranteed by the Company. Notwithstanding the foregoing, the term Senior Debt shall not include (i) the Securities, (ii) any Indebtedness, created, evidenced, assumed or guaranteed by an instrument that expressly provides that such Indebtedness shall not be senior in right of payment to the Securities or expressly provides that such Indebtedness is "pari passu" or "junior" to the Securities, (iii) any Indebtedness of the Company to any Subsidiary of the Company or (iv) any Indebtedness of or amounts owed by the Company for trade payables or otherwise for goods or materials purchased or services obtained in the ordinary course of business.

"**Significant Subsidiary**" means a Subsidiary of the Company that would be a "significant subsidiary" as defined in Article I, Rule 1 02(w) of Regulation S X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof.

"**Spin−Off**" has the meaning specified in Section 9.04(c).

"**Stated Maturity,**" when used with respect to any Security, means the date specified in such Security as the fixed date on which an amount equal to the Principal Amount of such Security together with accrued and unpaid Interest, if any, is due and payable.

"**Stock Price**" has the meaning specified in Section 9.06(b).

"**Stock Transfer Agent**" means Computershare Trust Company, N.A., or such other Person as may be designated by the Company as the transfer agent for the Common Stock.

"**Subsidiary**" means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, "**voting stock**" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"**Surviving Entity**" has the meaning specified in Section 11.01(a).

"**Tax Triggering Event**" means the enactment of U.S. federal legislation, promulgation of Treasury regulations, issuance of a published ruling, notice, announcement or equivalent form of guidance by the Treasury or the Internal Revenue Service, or the issuance of a judicial decision if the Company determines, or receives an opinion of its outside counsel to the effect that, any such authority will have the effect of lowering the comparable yield or delaying or otherwise limiting the current deductibility of interest or original issue discount with respect to the Securities, *provided* that the Company determines in good faith that such reduction, delay, or limit is material.

"**Trading Day**" means, except as provided in Section 9.01(b) hereof, a day during which (i) trading in the Common Stock generally occurs on the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted to trading and (ii) there is no Market Disruption Event.

"**Trading Price**" of the Securities on any date of determination means, except as provided in Section 4.02(b) hereof, the average of the secondary market bid quotations per $1,000 Principal Amount of Securities obtained by the Bid Solicitation Agent for $5,000,000 Principal Amount of Securities at approximately 3:30 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers that are selected by the Company; *provided* that if at least three such bids cannot reasonably be obtained by the Bid Solicitation Agent, but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained, that one bid shall be used. If the Bid Solicitation Agent cannot reasonably obtain at least one such bid for $5,000,000 Principal Amount of Securities from an independent nationally recognized securities dealer then the Trading Price per $1,000 Principal Amount of Securities will be deemed to be less than 98% of the product of the Last Reported Sale Price of the Common Stock and the applicable Conversion Rate. If the Company does not instruct the Bid Solicitation Agent to obtain bids when required, the trading price per $1,000 principal amount of the debentures will be deemed to be less than 98% of the product of the Last Reported Sale Price on each day that the Company fails to do so.

"**Transfer Restricted Security**" means a Security required to bear the restricted legend set forth in the form of Security in Section 2.02.

"**Trigger Event**" has the meaning specified in Section 9.04(b).

"**Trust Indenture Act**" means the Trust Indenture Act of 1939 as in effect on the date as of which this Indenture was executed; *provided*, *however*, that in the event the Trust Indenture Act of 1939 is amended after such date, "**Trust Indenture Act**" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"**Trustee**" means the Person named as the "**Trustee**" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "**Trustee**" shall mean such successor Trustee.

"**Upside Trigger**" means $1,300 per $1,000 Principal Amount of Securities.

"**Vice President,**" when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

"**Volume−Weighted Average Price**" means, with respect to the Common Stock on a Trading Day, the price displayed under the heading "Bloomberg VWAP" on Bloomberg (or any successor service) page XLNX.UQ lt;equity> AQR (or any successor page) in respect of the period from 9:30 a.m. to 4:00 p.m. New York City time on that Trading Day, or, if such price is not available, the volume−weighted average price per share of the Company's Common Stock on that Trading Day as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

Section 1.02. *Compliance Certificates and Opinions.* Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate to the effect that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in the Indenture relating to the proposed action have been satisfied, and an Opinion of Counsel to the effect that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied. Each such certificate or opinion shall be given in the form of an Officers' Certificate, if to be given by an officer of the Company, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirement set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual, such individual has made such examination or investigation as is necessary to enable such individual to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.03. *Form of Documents Delivered to Trustee*. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.04. *Acts of Holders; Record Dates; Communication Between Holders*. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby)

are herein sometimes referred to as an "**Act**" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 12.01) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee reasonably deems sufficient.

(c) The Company may, in the circumstances permitted by the Trust Indenture Act, fix any day as the record date for the purpose of determining the Holders entitled to give or take any request, demand, authorization, direction, notice, consent, waiver or other action, or to vote on any action, authorized or permitted to be given or taken by Holders. If not set by the Company prior to the first solicitation of a Holder made by any Person in respect of any such action, or, in the case of any such vote, prior to such vote, the record date for any such action or vote shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 13.01) prior to such first solicitation or vote, as the case may be. With regard to any record date, only the Holders on such date (or their duly designated proxies) shall be entitled to give or take, or vote on, the relevant action.

(d) The ownership of Securities shall be proved by the Security Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(f) Holders may communicate pursuant to Trust Indenture Act § 312(b) with other Holders with respect to their rights under this Indenture or the Securities. The Company, the Trustee, the Security Registrar and anyone else shall have the protection of Trust Indenture Act § 312(c).

Section 1.05. *Notices, Etc., to Trustee and Company.* Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or

other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(a) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its applicable Corporate Trust Office; or

(b) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first−class postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company, Attention: General Counsel.

Section 1.06. *Notice to Holders; Waiver*. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first−class postage prepaid, to each Holder affected by such event, at such Holder's address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Whenever under this Indenture the Trustee is required to provide any notice by mail, in all cases the Trustee may alternatively provide notice by overnight courier or by telefacsimile, with confirmation of transmission.

Section 1.07. *Qualification Under and Conflict With Trust Indenture Act*. The Company shall qualify this Indenture under the Trust Indenture Act in accordance with the terms and conditions of the Registration Rights Agreement and shall pay all reasonable costs and expenses (including attorneys' fees and expenses for the Company and the Trustee) incurred in connection therewith, including, but not limited to, costs and expenses of qualification of this Indenture and the Securities and the printing of this Indenture and the Securities.

If any provision of the Indenture limits, qualifies or conflicts with a provision of the Trust Indenture Act that is required hereunder to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

Section 1.08. *Rules by Trustee, Paying Agent and Registrar.* The Trustee may make reasonable rules for action by, or for a meeting of, Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

Section 1.09. *Effect of Headings and Table of Contents.* The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof, and all Article and Section references are to Articles and Sections, respectively, of this Indenture unless otherwise expressly stated.

Section 1.10. *Successors and Assigns.* All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

Section 1.11. *Severability Clause.* In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.12. *Benefits of Indenture.* Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their respective successors hereunder and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.13. *Governing Law.* This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York.

Section 1.14. *Legal Holidays.* A "**Legal Holiday**" is a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York, New York. If an Interest Payment Date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no Interest shall accrue for the intervening period. If a Record Date is a Legal Holiday, the Record Date shall not be affected. In any case where the Stated Maturity or the Fundamental Change Repurchase Date of any Security is a Legal Holiday, then (notwithstanding any other provision of this Indenture or of the Securities) payment of principal and Interest, if any, need not be made on such date, but may be made on the next succeeding day that is not a Legal Holiday, with the same force and effect as if made on at the Stated Maturity or Fundamental Change Repurchase Date and no Interest shall accrue for the intervening period.

Section 1.15. *No Recourse Against Others.* None of the Company's, or of any successor entity's, direct or indirect stockholders, employees, officers or directors, as such, past, present or future, shall have any personal liability in respect of the obligations of the Company under the Indenture or the Securities solely by reason of his or its status as such stockholder, employee, officer or director.

Section 1.16. *Calculations.* Except as otherwise provided herein, the Company or its agents (other than the Trustee) will be responsible for making all calculations called for under the Indenture and the Securities. The Company or its agents (other than the Trustee) will make all such calculations in good faith and, absent manifest error, its calculations will be final and binding on Holders. The Company upon request will provide a schedule of its calculations to each of the Trustee and the Conversion Agent, and each of the Trustee and Conversion Agent is entitled to rely conclusively upon the accuracy of the Company's calculations without independent verification. The Trustee will deliver a copy of such schedule to any Holder upon the request of such Holder. For the avoidance of doubt, the Trustee shall not be obligated to make any calculations hereunder, obtain or determine the Last Reported Sales Price, obtain, determine or monitor the Trading Price or determine the Volume−Weighted Average Price.

Section 1.17. *Waiver of Jury Trial.* Each of the company and the trustee hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this agreement, the notes or the transaction contemplated thereby.

Section 1.18. *Force Majeure.* In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

ARTICLE 2
SECURITY FORMS

Section 2.01. *Forms Generally.* The Securities and the Trustee's certificates of authentication shall be in substantially the forms set forth in this Article, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any

securities exchange or Depositary therefor, the Code and regulations thereunder, or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof.

The Securities shall initially be issued in the form of permanent Global Securities in registered form in substantially the form set forth in this Article. The aggregate Principal Amount of the Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary, as hereinafter provided.

Section 2.02. *Form of Face of Security.* [**INCLUDE IF SECURITY IS A RESTRICTED SECURITY** — THE SALE OF THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER AGREES (1) THAT IT WILL NOT WITHIN THE LATER OF (X) TWO YEARS AFTER THE LATEST ISSUE DATE OF THIS SECURITY AND (Y) THREE MONTHS AFTER IT CEASES TO BE AN AFFILIATE (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE ISSUER, OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY, EXCEPT (A) TO THE ISSUER; (B) UNDER A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT; (C) TO A PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, ALL IN COMPLIANCE WITH RULE 144A (IF AVAILABLE); OR (D) UNDER ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; AND (2) THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN THE LATER OF (X) TWO YEARS AFTER THE LATEST ISSUE DATE OF THIS SECURITY AND (Y) THREE MONTHS AFTER IT CEASES TO BE AN AFFILIATE (WITHIN THE MEANING OF RULE 144 ADOPTED UNDER THE SECURITIES ACT) OF THE ISSUER, FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED PURSUANT TO THE INDENTURE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.]

[**INCLUDE IF SECURITY IS A GLOBAL SECURITY** — THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE

INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), A NEW YORK CORPORATION, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

[**INCLUDE IF THE SECURITY IS NOT REGISTERED** — THIS SECURITY WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. PURSUANT TO Section 6.14 OF THE INDENTURE, THE COMPANY AGREES, AND BY ACCEPTANCE OF A BENEFICIAL OWNERSHIP INTEREST IN THE SECURITIES EACH BENEFICIAL HOLDER OF A SECURITY AGREES, FOR UNITED STATES FEDERAL INCOME TAX PURPOSES, (I) TO TREAT THE SECURITIES AS INDEBTEDNESS OF THE COMPANY SUBJECT TO UNITED STATES TREASURY REGULATIONS SECTION 1.1275−4 (THE "**CONTINGENT DEBT REGULATIONS**") AND, FOR PURPOSES OF THE CONTINGENT DEBT REGULATIONS, TO TREAT THE FAIR MARKET VALUE OF ANY COMMON STOCK BENEFICIALLY RECEIVED UPON CONVERSION AS A CONTINGENT PAYMENT, (II) TO BE BOUND BY THE COMPANY'S DETERMINATION OF THE "COMPARABLE YIELD" AND "PROJECTED PAYMENT SCHEDULE," WITHIN THE MEANING OF THE CONTINGENT DEBT REGULATIONS, WITH RESPECT TO SUCH HOLDER'S SECURITIES AND (III) TO USE SUCH "COMPARABLE YIELD" AND "PROJECTED PAYMENT SCHEDULE" IN DETERMINING INTEREST ACCRUALS WITH RESPECT TO SUCH HOLDER'S SECURITIES AND IN DETERMINING ADJUSTMENTS THERETO. A HOLDER OF SECURITIES MAY OBTAIN THE ISSUE DATE, YIELD TO MATURITY, COMPARABLE YIELD AND THE PROJECTED PAYMENT SCHEDULE BY SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO: XILINX, INC., 2100 LOGIC DRIVE, SAN JOSE, CA 95124, ATTENTION: CORPORATE SECRETARY]

3.125% Junior Convertible Subordinated Debentures due 2037

No. ___ CUSIP NO. 983919AC5 U.S. $900,000,000

Xilinx, Inc., a corporation duly organized and validly existing under the laws of the State of Delaware (herein called the "**Company**"), which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to Cede & Co., or registered assigns, the principal sum of Nine Hundred Million Dollars ($900,000,000) (which amount may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary, in accordance with the rules and procedures of the Depositary) on March 15, 2037. The Principal Amount of this Security shall be payable at the Corporate Trust Office and at any other office or agency maintained for such purpose and at any other office or agency maintained by the Company for such purpose. Interest on this Security will be payable (i) to Holders having an aggregate Principal Amount of $5,000,000 or less of Securities, by check mailed to such Holders and (ii) to Holders having an aggregate Principal Amount of more than $5,000,000 of Securities, either by check mailed to such Holders or, upon application by a Holder to the Security Registrar not later than the relevant Record Date for such Interest payment, by wire transfer in immediately available funds to such Holder's account within the United States.

The issue date of this Security is March 5, 2007.

Reference is made to the further provisions of this Security set forth on the reverse hereof, including, without limitation, provisions giving the Company the right to redeem this Security under certain circumstances and provisions giving the Holder the right to convert this Security into Common Stock of the Company and to require the Company to repurchase this Security upon certain events, in each case, on the terms and subject to the limitations referred to on the reverse hereof and as more fully specified in the Indenture. Such further provisions shall for all purposes have the same effect as though fully set forth at this place. Capitalized terms used but not defined herein shall have such meanings as are ascribed to such terms in the Indenture.

This Security shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State.

This Security shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee or a duly authorized authenticating agent under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

XILINX, INC.

By: _____
Authorized Signatory

Section 2.03. *Form of Reverse of Security.*

XILINX, INC.

3.125% Junior Subordinated Convertible Debentures due 2037

This Security is one of a duly authorized issue of Securities of the Company, designated as its 3.125% Junior Convertible Subordinated Debentures due 2037 (the "**Securities**"), all issued or to be issued under and pursuant to an Indenture dated as of March 5, 2007 (the "**Indenture**"), between the Company and The Bank of New York Trust Company, N.A. (the "**Trustee**"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Securities.

Interest. The Securities will bear Regular Interest at a rate of 3.125% per year, payable semi−annually in arrears on March 15 and September 15 of each year beginning on September 15, 2007. In addition to Regular Interest, the Securities will also bear Contingent Interest (i) commencing on March 15, 2014, during any semi−annual interest period in which the average trading price of the Securities for the 10 Trading Day period immediately preceding the first day of such semi−annual period is greater than or equal to $1,300 per $1,000 Principal Amount of the Securities, at a rate of 0.50% of such trading price per annum, (ii) commencing on March 15, 2014, during any semi−annual interest period in which the average trading price of the Securities for the 10 Trading Day period immediately preceding the first day of such semi−annual period is less than or equal to a threshold that will initially be set at $600 per $1,000 Principal Amount of the Securities and that will increase over time in accordance with the Indenture, at a rate of 0.25% of such trading price per annum and (iii) at any time that Securities are outstanding in the event that the Company pays an extraordinary cash dividend or distribution to holders of the Common Stock that the Company's Board of Directors designates as payable to Holders of the Securities.

So long as the Company is not in Default in the payment of Interest on the Securities, the Company may defer the payment of Interest on the Securities (other than Contingent Interest relating to an Extraordinary Dividend) for a period not to exceed 10 consecutive semi−annual interest payment periods, during which time Compounded Interest will accrue as provided in the Indenture.

Subordination. The Securities are unsecured junior obligations of the Company subordinated in right of payment to the Company's existing and future Senior Debt and effectively subordinated in right of payment to all indebtedness and other liabilities of the Company's subsidiaries.

Redemption at the Option of the Company. No sinking fund is provided for the Securities. The Securities are redeemable as a whole, or from time to time in part, (i) at any time commencing on March 15, 2014 at the option of the

Company if the Last Reported Sale Price of the Common Stock has been greater than or equal to 130% of Conversion Price then in effect for at least 20 Trading Days during any 30 consecutive Trading Day period prior to the date on which the Company provides notice of redemption and (ii) on or prior to August 27, 2007, if certain U.S. federal tax legislation, regulations or rules are enacted or are issued. The redemption price (the "**Redemption Price**") for any such redemption is an amount of cash equal to (a) in the case of a redemption described in clause (i) above, 100%, expressed as a percentage of the Principal Amount of Securities to be redeemed, together with accrued and unpaid Interest to, but excluding, the Redemption Date and (b) in the case of a redemption described in clause (ii) above, 101.5%, expressed as a percentage of the Principal Amount of Securities to be redeemed, together with accrued and unpaid Interest to, but excluding, the Redemption Date and, if the Conversion Parity Value of the Securities being redeemed exceeds their Initial Conversion Value, 79% of the amount determined by subtracting the Initial Conversion Value of the Securities being redeemed from their Conversion Parity Value.

Repurchase by the Company at the Option of the Holder Upon a Fundamental Change. Subject to the terms and conditions of the Indenture, the Company shall become obligated, at the option of the Holder, to repurchase the Securities if a Fundamental Change occurs at any time prior to the Stated Maturity at 100% of the Principal Amount plus accrued and unpaid Interest to, but excluding, the Fundamental Change Repurchase Date (the "**Fundamental Change Repurchase Price**"), which Fundamental Change Repurchase Price will be paid in cash. If the Fundamental Change Repurchase Date is between a regular Record Date and the Interest Payment Date to which it relates, the Company will pay accrued and unpaid interest to the holder of record on such regular record date.

Withdrawal of Repurchase Notice and Fundamental Change Repurchase Notice. Holders have the right to withdraw, in whole or in part, any Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, by delivering to the Paying Agent a written notice of withdrawal in accordance with the provisions of the Indenture.

Payment of Redemption Price, Repurchase Price and Fundamental Change Repurchase Price. If cash sufficient to pay the Redemption Price or Fundamental Change Repurchase Price, as the case may be, of all Securities or portions thereof to be redeemed or repurchased on a Redemption Date or on a Fundamental Change Repurchase Date, as the case may be, is deposited with the Paying Agent on the Redemption Date or the Fundamental Change Repurchase Date, as the case may be, such Securities will cease to be outstanding and Interest will cease to accrue on such Securities (or portions thereof) immediately after such Redemption Date or Fundamental Change Repurchase Date, as the case may be, and the Holder thereof shall have no other rights as such (other than the right to receive the Redemption Price or Fundamental Change Repurchase Price, as the case may be, upon surrender of such Security).

Conversion. Subject to and in compliance with the provisions of the Indenture (including without limitation the conditions of conversion of this Security set forth in Article 9 thereof), the Holder hereof has the right, at its option, to convert the Principal Amount hereof or any portion of such principal which is $1,000 or an integral multiple thereof, into, subject to Section 9.01 of the Indenture, cash and shares of Common Stock, if any, at the Conversion Rate. The initial Conversion Rate is 32.0760 shares of Common Stock per $1,000 Principal Amount of Securities (equivalent to a conversion price of approximately $31.18), subject to adjustment in certain events described in the Indenture. Upon conversion, the Company will pay cash and shares of Common Stock, if any, based on a Settlement Amount calculated on a proportionate basis for each day of the Observation Period, as set forth in the Indenture. No fractional shares will be issued upon any conversion, but an adjustment and payment in cash will be made, as provided in the Indenture, in respect of any fraction of a share which would otherwise be issuable upon the surrender of any Securities for conversion. Securities in respect of which a Holder is exercising its right to require repurchase on a Fundamental Change Repurchase Date may be converted only if such Holder withdraws its election to exercise such right in accordance with the terms of the Indenture.

Upon conversion, the Company shall deliver, for each $1,000 principal amount of Securities being converted, cash and, if applicable, shares of Common Stock equal to the Settlement Amount in accordance with the Indenture.

In the event of a deposit or withdrawal of an interest in this Security, including an exchange, transfer, repurchase or conversion of this Security in part only, the Trustee, as custodian of the Depositary, shall make an adjustment on its records to reflect such deposit or withdrawal in accordance with the rules and procedures of the Depositary.

Subject to certain limitations in the Indenture, at any time when the Company is not subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, upon the request of a Holder of a Restricted Security, the Company will promptly furnish or cause to be furnished Rule 144A Information (as defined below) to such Holder of Restricted Securities, or to a prospective purchaser of any such security designated by any such Holder, to the extent required to permit compliance by any such Holder with Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**"). "**Rule 144A Information**" shall be such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

If an Event of Default shall occur and be continuing, the Principal Amount plus Interest, through such date on all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the

Company and the rights of the Holders of the Securities under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate Principal Amount of the Outstanding Securities. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate Principal Amount of the Outstanding Securities, on behalf of the Holders of all the Securities, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of any provision of or applicable to this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities, the Holders of not less than 25% in aggregate Principal Amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity satisfactory to it, the Trustee shall not have received from the Holders of a majority in Principal Amount of Outstanding Securities a direction inconsistent with such request, and the Trustee shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of the Principal Amount, Redemption Price or Fundamental Change Repurchase Price hereof on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the Principal Amount, Redemption Price or Fundamental Change Repurchase Price of, and Interest on, this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate Principal Amount, will be issued to the designated transferee or transferees.

The Securities are issuable only in registered form in denominations of $1,000 and any integral multiple of $1,000 above that amount, as provided in the Indenture and subject to certain limitations therein set forth. Securities are exchangeable for a like aggregate Principal Amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company and the Security Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and the Security Registrar and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Security shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ASSIGNMENT FORM

If you want to assign this Security, fill in the form below and have your signature guaranteed:

I or we assign and transfer this Security to:

(Print or type name, address and zip code and social security or tax ID number of assignee)

and irrevocably appoint _____ agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Date: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

In connection with any transfer of this Security occurring prior to the date which is the earlier of (i) the date of the declaration by the Commission of the effectiveness of a registration statement under the Securities Act, as amended (the "**Securities Act**"), covering resales of this Security (which effectiveness shall not have been suspended or terminated at the date of the transfer) and (ii) the second anniversary of the Issue Date set forth on the face of this Security, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Security is being transferred:

[Check One]

(1) ☐ to the Company or a subsidiary thereof; or

(2) ☐ to a "Qualified Institutional Buyer" pursuant to and in compliance with Rule 144A under the Securities Act; or

(3) ☐ pursuant to the exemption from registration provided by Rule 144 under the Securities Act.

Unless one of the above boxes is checked, the Trustee will refuse to register any of the Securities evidenced by this certificate in the name of any Person other than the registered Holder thereof, *provided* that if box (3) is checked, the Company may require (and shall deliver to the Trustee and the Security Registrar), prior to registering any such transfer of the Securities, in its sole discretion, such legal opinions, certifications and other information as the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Trustee or Security Registrar shall not be obligated to register this Security in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 3.09 of the Indenture shall have been satisfied.

Date: _____ Signed: _____
(Sign exactly as your name appears
on the other side of this Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "**qualified institutional buyer**" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date: _____ Signed: _____

NOTICE: To be executed by an executive officer.

CONVERSION NOTICE

If you want to convert this Security into Common Stock of the Company, check the box: ☐

To convert only part of this Security, state the Principal Amount to be converted (which must be $1,000 or an integral multiple of $1,000):

$_____

If you want the stock certificate, if any, made out in another person's name, fill in the form below:

_____

(Insert other person's social security or tax ID no.)

_____

_____

_____

(Print or type other person's name, address and zip code)

Date: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Section 2.04. *Form of Trustee's Certificate of Authentication.* This is one of the Securities referred to in the within−mentioned Indenture.

Dated: _____ The Bank of New York Trust Company, N.A.

By _____
Authorized Signatory

Section 2.05. *Legend on Restricted Securities.* During the period beginning on the Issue Date and ending on the date two years from such date, any Security, including any Security issued in exchange therefor or in lieu thereof, shall be deemed a "**Restricted Security**" and shall be subject to the restrictions on transfer provided in the legends set forth on the face of the form of Security in Section 2.02; *provided, however*, that the term "**Restricted Security**" shall not include any Securities as to which restrictions have been terminated in accordance with Section 3.05. All Securities shall bear the applicable legends set forth on the face of the form of Security in Section 2.02. Except as provided in Section 3.05 and Section 3.09, the Trustee shall not issue any unlegended Security until it has received an Officers' Certificate from the Company directing it to do so.

ARTICLE 3
THE SECURITIES

Section 3.01. *Title and Terms; Payments.* The aggregate Principal Amount of Securities that may be authenticated and delivered under this Indenture is initially limited to $900,000,000 (or up to $1,000,000,000 to the extent the Initial Purchaser exercises its overallotment option granted pursuant to the Purchase Agreement), except for Securities authenticated and delivered upon registration or transfer of, or in exchange for, or in lieu of, other Securities pursuant to Sections 3.04, 3.05, 3.06, 7.06, 8.05 or 15.06.

The Securities shall be known and designated as the "3.125% Junior Subordinated Convertible Debentures due 2037" of the Company. The Principal Amount shall be payable at the Stated Maturity.

The Securities shall not have the benefit of a sinking fund.

The Securities shall be subordinated to all Senior Debt of the Company.

The Principal Amount of and Interest on Global Securities registered in the name of The Depository Trust Company or its nominee shall be paid by wire transfer in immediately available funds to The Depository Trust Company or its nominee, as applicable.

The Principal Amount of Physical Securities shall be payable at the Corporate Trust Office and at any other office or agency maintained for such purpose and at any other office or agency maintained by the Company for such purpose. Interest on Physical Securities will be payable (i) to Holders having an aggregate Principal Amount of $5,000,000 or less of Securities, by check mailed to such Holders at the address set forth in the Security Registrar and (ii) to Holders having an aggregate Principal Amount of more than $5,000,000 of Securities, either by check mailed to such Holders or, upon application by a Holder to the Security Registrar not later than the relevant Record Date for such Interest payment, by wire transfer in immediately available funds to such Holder's

account within the United States, which application shall remain in effect until the Holder notifies the Security Registrar to the contrary in writing.

Section 3.02. *Denominations.* The Securities shall be issuable only in registered form without coupons and in denominations of $1,000 and any integral multiple of $1,000 above that amount.

Section 3.03. *Execution, Authentication, Delivery and Dating.* The Securities shall be executed on behalf of the Company by the Chairman of the Board of Directors, its President, or one of its Vice Presidents.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities. The Company Order shall specify the amount of Securities to be authenticated, and shall further specify the amount of such Securities to be issued as a Global Security or as Physical Securities. The Trustee in accordance with such Company Order shall authenticate and deliver such Securities as in this Indenture provided and not otherwise.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

Section 3.04. *Temporary Securities.* Pending the preparation of definitive Securities, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities; *provided*, that any such temporary Securities shall bear legends on the face of such Securities as set forth in Section 2.02.

If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of

definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at any office or agency of the Company designated pursuant to Section 6.02, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like Principal Amount of Physical Securities of authorized denominations. Until so exchanged, the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as Physical Securities.

Section 3.05. *Registration; Registration of Transfer and Exchange; Restrictions On Transfer.* (a) The Company shall cause to be kept at the applicable Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 6.02 being herein sometimes collectively referred to as the "**Security Register**") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and transfers of Securities. The Trustee is hereby appointed "Security Registrar" (the "**Security Registrar**") for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security at an office or agency of the Company designated pursuant to Section 6.02 for such purpose, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of any authorized denominations and of a like aggregate Principal Amount and tenor, each such Security bearing such restrictive legends as may be required by this Indenture (including Sections 2.02, 2.05 and 3.09).

At the option of the Holder and subject to the other provisions of this Section 3.05 and to Section 3.09, Securities may be exchanged for other Securities of any authorized denominations and of a like aggregate Principal Amount and tenor, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing. As a condition to the registration of transfer of any Restricted Securities, the Company or the Trustee may require evidence

satisfactory to them as to the compliance with the restrictions set forth in the legend on such securities.

Except as provided in the following sentence and in Section 3.09, all Securities originally issued hereunder and all Securities issued upon registration of transfer or exchange or replacement thereof shall be Restricted Securities and shall bear the legends required by Sections 2.02 and 2.05, unless the Company shall have delivered to the Trustee (and the Security Registrar, if other than the Trustee) a Company Order stating that the Security is not a Restricted Security and may be issued without such legend thereon. Securities that are issued upon registration of transfer of, or in exchange for, Securities that are not Restricted Securities shall not be Restricted Securities and shall not bear such legend.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company and the Security Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 3.04 not involving any transfer.

Neither the Company nor the Security Registrar shall be required to exchange or register a transfer of any Security (i) during the period beginning at the opening of business 15 days before the earliest date on which a notice of redemption is deemed to have been given to all Holders of Securities to be redeemed and ending at the close of business on the date on which a notice of redemption is deemed to have been given to all Holders of Securities to be redeemed, (ii) after any notice of redemption has been given to Holders, except that where such notice provides that such Security is to be redeemed only in part, the Company and the Security Registrar shall be required to exchange or register a transfer of the portion thereof not to be redeemed, (iii) that has been surrendered for conversion or (iv) as to which a Fundamental Change Repurchase Notice has been delivered and not withdrawn, except that where such Fundamental Change Repurchase Notice provides that such Security is to be purchased only in part, the Company and the Security Registrar shall be required to exchange or register a transfer of the portion thereof not to be purchased.

(b) Beneficial ownership of every Restricted Security shall be subject to the restrictions on transfer provided in the legends required to be set forth on the face of each Restricted Security pursuant to Sections 2.02 and 2.05, unless such restrictions on transfer shall be terminated in accordance with this Section 3.05(b) or Section 3.09. The Holder of each Restricted Security, by such Holder’s acceptance thereof, agrees to be bound by such restrictions on transfer.

The restrictions imposed by this Section 3.05 and by Sections 2.02, 2.05 and 3.09 upon the transferability of any particular Restricted Security shall cease and terminate upon delivery by the Company to the Trustee of an Officers’ Certificate stating that such Restricted Security has been sold pursuant to an

effective Resale Registration Statement under the Securities Act or transferred in compliance with Rule 144 under the Securities Act (or any successor provision thereto). Any Restricted Security as to which the Company has delivered to the Trustee an Officers' Certificate stating that such restrictions on transfer shall have expired in accordance with their terms or shall have terminated may, upon surrender of such Restricted Security for exchange to the Security Registrar in accordance with the provisions of this Section 3.05, be exchanged for a new Security, of like tenor and aggregate Principal Amount, which shall not bear the restrictive legends required by Sections 2.02 and 2.05. The Company shall inform the Trustee in writing of the effective date of any Resale Registration Statement registering the Securities under the Securities Act. The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the aforementioned resale registration statement.

As used in the preceding two paragraphs of this Section 3.05, the term "**transfer**" encompasses any sale, pledge, transfer or other disposition of any Restricted Security.

(c) Neither the Trustee, the Security Registrar nor any of their respective agents shall (i) have any duty to monitor compliance with or with respect to any federal or state or other securities or tax laws or (ii) have any duty to obtain documentation relating to any transfers or exchanges other than as specifically required hereunder.

Section 3.06. *Mutilated, Destroyed, Lost and Stolen Securities.* If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of like tenor and Principal Amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and Principal Amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable or has been called for redemption in full, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section 3.06, the Company may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any

other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section 3.06 in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 3.07. *Persons Deemed Owners.* Prior to due presentment of a Security for registration of transfer, the Company, the Trustee, the Security Registrar and any agent of the Company, the Trustee or the Security Registrar may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of the principal of such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee, the Security Registrar nor any agent of the Company, the Trustee or the Security Registrar shall be affected by notice to the contrary.

Section 3.08. *Book−entry Provisions For Global Securities.* (a) The Global Securities initially shall (i) be registered in the name of the Depositary or the nominee of such Depositary, (ii) be delivered to the Trustee as custodian for the Depositary and (iii) bear legends as set forth on the face of the form of Security in Section 2.02.

Members of, or participants in, the Depositary ("**Agent Members**") shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depositary, or the Trustee as its custodian, or under the Global Security, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of the Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of any Holder.

(b) Transfers of the Global Securities shall be limited to transfers in whole, but not in part, to the Depositary, its successors or their respective nominees. Interests of beneficial owners in a Global Security may be transferred or exchanged, in whole or in part, for Physical Securities in accordance with the rules and procedures of the Depositary and the provisions of Section 3.09. In

addition, Physical Securities shall be transferred to all beneficial owners in exchange for their beneficial interests in the Global Securities if (A) such Depositary has notified the Company that the Depositary (i) is unwilling or unable to continue as Depositary for such Global Security or (ii) has ceased to be a clearing agency registered under the Exchange Act when the Depositary is required to be so registered to act as such Depositary and, in either such case, no successor Depositary shall have been appointed within 90 days of such notification, (B) there shall have occurred and be continuing an Event of Default with respect to such Global Security and the Outstanding Securities shall have become due and payable pursuant to Section 10.02 and the Trustee requests that Physical Securities be issued or (C) the Company, at its option, notifies the Trustee that it elects to cause the issuance of Physical Securities, subject to applicable procedures of the Depositary; *provided* that Holders of Physical Securities offered and sold in reliance on Rule 144A shall have the right, subject to applicable law, to request that such Securities be exchanged for interests in the applicable Global Security.

(c) In connection with any transfer or exchange of a portion of the beneficial interest in the Global Security to beneficial owners pursuant to paragraph (b) above, the Security Registrar shall (if one or more Physical Securities are to be issued) reflect on its books and records the date and a decrease in the Principal Amount of the Global Security in an amount equal to the Principal Amount of the beneficial interest in the Global Security to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more Physical Securities of like tenor and amount.

(d) In connection with the transfer of the entire Global Security to beneficial owners pursuant to paragraph (b) above, the Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depositary in exchange for its beneficial interest in the Global Security, an equal aggregate Principal Amount of Physical Securities of authorized denominations and the same tenor.

(e) Any Physical Security constituting a Restricted Security delivered in exchange for an interest in the Global Security pursuant to paragraph (c) or (d) above shall, except as otherwise provided by Section 3.09, bear the legend regarding transfer restrictions applicable to the Physical Securities set forth on the face of the form of Security in Section 2.02.

(f) The Holder of the Global Securities may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Securities.

Section 3.09. *Cancellation and Transfer Provisions.* The Company at any time may deliver to the Trustee for cancellation any Securities previously

authenticated and delivered hereunder that the Company may have acquired in any manner whatsoever, and may deliver to the Trustee for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold. The Trustee shall cancel and dispose of all Securities surrendered for registration of transfer, exchange, payment, purchase, repurchase, redemption, conversion (pursuant to Article 9 hereof) or cancellation in accordance with its customary practices. If the Company shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Securities unless and until the same are delivered to the Trustee for cancellation. The Company may not issue new Securities to replace Securities it has paid in full or delivered to the Trustee for cancellation.

(a) *Transfers to QIBs*. The following provisions shall apply with respect to the registration of any proposed transfer of a Security constituting a Restricted Security to a QIB:

(i) the Security Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Security stating, or has otherwise advised the Company and the Security Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Security stating, or has otherwise advised the Company and the Security Registrar in writing, that it is purchasing the Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; and

(ii) if the proposed transferee is an Agent Member, and the Securities to be transferred consist of Physical Securities which after transfer are to be evidenced by an interest in the Global Security, upon receipt by the Security Registrar of instructions given in accordance with the Depositary's and the Security Registrar's procedures, the Security Registrar shall reflect on its books and records the date and an increase in the Principal Amount of the Global Security in an amount equal to the Principal Amount of the Physical Securities to be transferred, and the Trustee shall cancel the Physical Securities so transferred.

(b) *Private Placement Legend*. Upon the registration of transfer, exchange or replacement of Securities not bearing the legends required by Section 2.02 and 2.05, the Security Registrar shall deliver Securities that do not bear such legends. Except in the case of a registration of transfer, exchange or replacement

contemplated by the Registration Rights Agreement, upon the registration of transfer, exchange or replacement of Securities bearing the legends required by Section 2.02 and 2.05, the Security Registrar shall deliver only Securities that bear such legends unless there is delivered to the Security Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(c) *General*. By its acceptance of any Security bearing the legends required by Section 2.02 and 2.05, each Holder of such a Security acknowledges the restrictions on transfer of such Security set forth in this Indenture and in such legends and agrees that it will transfer such Security only as provided in this Indenture.

The Security Registrar shall retain, in accordance with its customary procedures, copies of all letters, notices and other written communications received pursuant to this Section 3.09. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Security Registrar.

Section 3.10. *CUSIP Numbers.* In issuing the Securities, the Company may use "**CUSIP**" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE 4
INTEREST

Section 4.01. *Generally.*

(a) Regular interest ("**Regular Interest**") shall accrue on the Securities from March 5, 2007 at a rate of 3.125% per annum until the principal thereof is paid or made available for payment. Regular Interest shall be payable semi−annually in arrears on March 15 and September 15 of each year, commencing September 15, 2007.

(b) Interest on the Securities shall be computed (i) for any full semi−annual period for which a particular interest rate (inclusive of any Contingent Interest, Additional Interest or Compounded Interest payable with respect to the Securities) is applicable, on the basis of a 360−day year of twelve 30−day months

and (ii) for any period for which a particular interest rate (inclusive of any Contingent Interest, Additional Interest or Compounded Interest payable with respect to the Securities) is applicable shorter than a full semi−annual period for which interest is calculated, on the basis of a 30−day month and, for such periods of less than a month, the actual number of days elapsed over a 30−day month.

(c) Except as otherwise provided in this Section 4.01(c), a Holder of any Securities at the close of business on a Record Date shall be entitled to receive Interest on such Securities on the corresponding Interest Payment Date.

(i) A Holder of any Securities as of a Record Date that are converted after the close of business on such Record Date and prior to the opening of business on the corresponding Interest Payment Date shall receive Interest on the principal amount of such Securities, notwithstanding the conversion of such Securities prior to such Interest Payment Date. However, a Holder that surrenders any Securities for conversion between the close of business on a Record Date and the opening of business on the corresponding Interest Payment Date shall be required to pay the Company an amount equal to the Interest payable by the Company with respect to such Securities on such Interest Payment Date at the time such Holder surrenders such Securities for conversion, *provided*, *however*, that this sentence shall not apply to a Holder that converts Securities:

(A) in respect of which the Company has given notice of redemption pursuant to Section 7.03 on a Redemption Date that is after the relevant Record Date and on or prior to the relevant Interest Payment Date;

(B) in respect of which the Company has specified a Fundamental Change Repurchase Date that is after the relevant Record Date and on or prior to the relevant Interest Payment Date; or

(C) following the Record Date for the payment of Regular Interest on March 15, 2037.

Accordingly, a Holder that converts Securities under any of the circumstances described in clauses (A), (B) or (C) above will not be required to pay to the Company an amount equal to the Interest payable by the Company with respect to such Securities on the relevant Interest Payment Date.

(ii) Notwithstanding any other provision of this Section 4.01(c), a Holder of any Security that surrenders Securities for conversion shall not be required to pay to the Company any Deferred Interest, Compounded Interest or overdue interest that exists on the Conversion Date for such conversion, regardless of whether the Conversion Date for such

conversion falls between the close of business on a Record Date and the opening of business on the corresponding Interest Payment Date.

(iii) Notwithstanding any other provision of this Section 4.01(c), any Interest payable on a Redemption Date that falls between the close of business on a Record Date and the opening of business on the corresponding Interest Payment Date shall be payable to the Holder of the Securities being redeemed as provided in Section 7.01(b) and shall not be payable to the Holder on the Record Date immediately preceding such redemption. The payment of such Interest to the Holder of the Securities being redeemed as provided in Section 7.01(b) shall be deemed to satisfy the Company's obligations in respect of such Interest.

Section 4.02. *Contingent Interest.* (a) Contingent interest on the Securities ("**Contingent Interest**") shall accrue and the Company shall pay such Contingent Interest to the Holders as follows:

(i) beginning with the six month interest payment period commencing March 15, 2014:

(A) during any six−month interest payment period with respect to which the average Trading Price for the 10 Trading Days immediately preceding the first day of such six−month interest payment period is greater than or equal to the Upside Trigger, in which case the Contingent Interest payable on each $1,000 Principal Amount for such six−month interest payment period shall be equal to 0.50% per annum of the average Trading Price for the 10 Trading Days immediately preceding the first day of such six−month interest payment period;

(B) during any six−month interest payment period with respect to which the average Trading Price for the 10 Trading Days immediately preceding the first day of such six−month interest payment period is less than or equal to the Downside Trigger, in which case the Contingent Interest payable on each $1,000 Principal Amount for such six−month interest payment period shall be equal to 0.25% per annum of the average Trading Price for the 10 Trading Days immediately preceding the first day of such six−month interest payment period; and

(ii) at any time Securities are outstanding, upon the declaration by the Company's Board of Directors of an extraordinary cash dividend or distribution to all or substantially all holders of the Common Stock that the Company's Board of Directors designates as payable with respect to the Securities (an "**Extraordinary Dividend**"), in which case (A) Contingent Interest will be payable on the same date as, and in an amount equal to, the dividend or distribution that a Holder would have received had such

Holder converted its Securities immediately prior to the record date for the payment of the corresponding dividend or distribution to holders of the Common Stock and (B) the record date for the payment of such Interest shall be the same as the record date for the payment of the corresponding extraordinary dividend or distribution to holders of the Common Stock.

(b) For purposes of this Article 4, and notwithstanding the definition contained in Section 1.01, "**Trading Price**" of the Securities on any date of determination means the average of the secondary market bid quotations per $1,000 Principal Amount of Securities obtained by the Bid Solicitation Agent for $5,000,000 Principal Amount of Securities at approximately 3:30 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers that are selected by the Company; *provided* that if at least three such bids cannot reasonably be obtained by the Bid Solicitation Agent, but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained, that one bid shall be used. If the Bid Solicitation Agent cannot reasonably obtain at least one such bid for $5,000,000 Principal Amount of Securities from an independent nationally recognized securities dealer or, in the reasonable judgment of the Company's Board of Directors (acting through the Board of Directors or a committee thereof) the bid quotations are not indicative of the secondary market value of the Securities, then the Trading Price per $1,000 Principal Amount of Securities will be determined by the Company's Board of Directors (acting through the Board of Directors or a committee thereof) based on a good faith estimate of the fair value of the Securities. The Company shall provide prompt written notice to the Bid Solicitation Agent identifying the three independent recognized securities dealers that are selected by the Company pursuant to this Section 4.02(b).

(c) The Company shall have no obligation to determine the Trading Price of the Securities or to request the Bid Solicitation Agent to determine the Trading Price of the Securities unless a Holder of Securities provides the Company with reasonable evidence that the Trading Price of the Securities is greater than or equal to the Upside Trigger or is less than or equal to the Downside Trigger, at which time the Company shall instruct the Bid Solicitation Agent to determine the Trading Price of the Securities beginning on the next Trading Day and on each successive Trading Day until the Trading Price of the Securities is less than the Upside Trigger or is greater than the Downside Trigger, as applicable.

Section 4.03. *Trustee's Responsibilities in Respect of Contingent Interest.* The Company shall determine whether Holders are entitled to receive Contingent Interest, and if so, provide notice to the Trustee and issue a press release as required by Section 4.05. Notwithstanding any term contained in this Indenture or any other document to the contrary, the Trustee shall have no responsibilities, duties or obligations for or with respect to (i) determining whether the Company must pay Contingent Interest or (ii) determining the amount of Contingent Interest, if any, payable by the Company.

Section 4.04. *Payment of Contingent Interest.* Subject to Section 4.02 hereof, Contingent Interest for any six month interest payment period shall be paid on the applicable Interest Payment Date to the Holder in whose name any Security is registered on the Security Register at the corresponding Record Date. Contingent Interest due under this Article 4 shall be treated for all purposes of this Indenture like any other interest accruing on the Securities.

Section 4.05. *Contingent Interest Notification.* By the third Business Day of a six month interest payment period for which Contingent Interest specified in Section 4.02(a)(i) will be paid, the Company will disseminate a press release through Reuters Economic Services and Bloomberg Business News stating that Contingent Interest will be paid on the Securities and identifying such six−month interest payment period as the six−month interest payment period for which such Contingent Interest will be paid. By the third Business Day following the designation by the Company's Board of Directors of an extraordinary cash dividend or distribution as an Extraordinary Dividend pursuant to Section 4.02(a)(ii), the Company will disseminate a press release through Reuters Economic Services and Bloomberg Business News stating that Contingent Interest will be paid on the Securities and identifying the Record Date for the payment of such Contingent Interest and the amount of such extraordinary cash dividend or distribution payable with respect to each share of the Company's Common Stock.

Section 4.06. *Option to Extend Interest Payment.* (a) Subject to the provisions of this Article 4, the Company may from time to time extend the time for payments of Interest on the Securities other than Contingent Interest paid in connection with any Extraordinary Dividend and Additional Interest (any period during which payments are so extended, an "**Extension Period**"); *provided, however* that no Extension Period may commence if at such time there exists a Default. The Company may specify the length of any Extension Period so declared, may further extend any Extension Period prior to the termination of such Extension Period and, subject to the provisions of this Article 4, may declare successive Extension Periods, *provided, however*, that no Extension Period or series of successive Extension Periods (i) may exceed 10 consecutive six−month interest payment periods in length or (ii) may extend beyond the Stated Maturity of the Securities.

(b) No Interest (other than Contingent Interest paid in connection with any Extraordinary Dividend and Additional Interest) will be due and payable during any Extension Period, but Deferred Interest will accrue and all such accrued and unpaid Deferred Interest will itself bear interest at the Comparable Yield Rate, compounded semi−annually (such interest, "**Compounded Interest**"). The Company may prepay Deferred Interest at any time by designating a Record Date and Interest Payment Date for the payment thereof and providing not less than 30 nor more than 60 days' notice of such dates, together with the amount of Deferred Interest to be prepaid.

(c) Any Extension Period in effect shall automatically terminate upon the occurrence of a Default or Event of Default or upon receipt by the Trustee of notice from the Company delivered pursuant to the terms of Section 1.05.

(d) On the first Interest Payment Date occurring on or after the end of each Extension Period, the Company will pay to the Holders of record on the Record Date for such Interest Payment Date, regardless of who the Holders of record may have been on other dates during such Extension Period, all accrued and unpaid Deferred Interest. Upon termination of any Extension Period and the payments of all amounts then due, the Company may commence a new Extension Period, subject to the requirements set forth in this Section 4.06.

Section 4.07. *Actions Prohibited During Extension Periods.* During any Extension Period (and, with respect to Section 4.07(c), at any time that there exists any accrued and unpaid Deferred Interest with respect to any Securities), the Company shall not:

(a) declare or pay any dividends on, or redeem, purchase, acquire or make a distribution or liquidation payment with respect to, any of the Company's Capital Stock, or make any guarantee payments with respect thereto; *provided, however* that the foregoing will not apply:

(i) to repurchases, redemptions or other acquisitions of shares of the Company's Capital Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, which contract, plan or arrangement is approved by the Company's Board of Directors;

(ii) as a result of an exchange or conversion of any class or series of the Company's Capital Stock for any other class or series of the Company's Capital Stock;

(iii) to the purchase of fractional interests in shares of the Company's Capital Stock pursuant to the conversion or exchange provisions of such Capital Stock or a security being converted or exchanged into such Capital Stock; or

(iv) to stock dividends or other stock distributions (including rights, warrants or options to purchase Capital Stock) paid by the Company; or

(b) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any of the Company's debt securities that rank in right of payment pari passu with, or junior to, the Securities; *provided*, that this restriction shall not apply to any Indebtedness or obligation of the Company to any of its wholly owned Subsidiaries; or

(c) redeem the Securities pursuant to Article 7 hereof or give notice of redemption of the Securities pursuant to Section 7.03 hereof.

Section 4.08. *Notification of Extension Period.* The Company shall give notice to the Trustee of the commencement of an Extension Period (and shall direct the Trustee to deliver such notice to each Holder of Securities) at least 16 days prior to the earlier of (i) the next succeeding Interest Payment Date and (ii) the date on which the Company is required to give notice to the Nasdaq Global Select Market (if the Securities are then listed thereon) or other applicable self−regulatory organization or to Holders of the Securities of the record or payment date of the related interest payment. Such notice shall specify the commencement and end of such Extension Period and the Comparable Yield Rate applicable to any Compounded Interest that may accrue during such Extension Period.

ARTICLE 5
SUBORDINATION

Section 5.01. *Agreement of Subordination.* The Company covenants and agrees, and each Holder of Securities issued hereunder by its acceptance thereof likewise covenants and agrees, that all Securities shall be issued subject to the provisions of this Article 5; and each Person holding any Security, whether upon original issue or upon transfer, assignment or exchange thereof, accepts and agrees to be bound by such provisions.

The payment of the principal of and Interest on all Securities (including, but not limited to, the Redemption Price and the Fundamental Change Repurchase Price with respect to the Securities subject to redemption or repurchase in accordance with Article 7 and 8, respectively, and the payment of any cash upon conversion in accordance with Article 9) issued hereunder shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right of payment to the prior payment in full in cash or other payment satisfactory to the holders of Senior Debt of all Senior Debt, whether outstanding at the date of this Indenture or thereafter incurred.

No provision of this Article 5 shall prevent the occurrence of any Default or Event of Default hereunder.

Section 5.02. *Payments to Holders.* No payment shall be made with respect to the principal of or Interest on the Securities (including, but not limited to, the Redemption Price and the Fundamental Change Repurchase Price with respect to the Securities subject to redemption or purchase in accordance with Article 7 and 8, respectively, and any payment of cash upon conversion in accordance with Article 9), except payments and distributions made by the Trustee as permitted by the first or second paragraph of Section 5.05, if:

(a) a default in the payment of principal, premium, interest or other amounts due on any Designated Senior Debt, or in respect of any redemption or repurchase obligation under any Designated Senior Debt, occurs and is continuing (or, in the case of Designated Senior Debt for which there is a period of grace, in the event of such a default that continues beyond the period of grace, if any, specified in the instrument or lease evidencing such Designated Senior Debt) (a "**Payment Default**"); or

(b) a default, other than a Payment Default, on any Designated Senior Debt occurs and is continuing that then permits holders of such Designated Senior Debt (or any Representative) to accelerate its maturity (a "**Non−Payment Default**") and a Responsible Officer of the Trustee receives at the Corporate Trust Office a written notice of the default (a "**Payment Blockage Notice**") from the Company or a Representative of Designated Senior Debt.

Notwithstanding the foregoing, following the delivery of a Payment Blockage Notice, no new Payment Blockage Notice may be delivered and no new period of payment blockage with respect to the Securities may begin until both (i) 365 consecutive days have elapsed since the effectiveness of the first Payment Blockage Notice and (ii) all scheduled payments of principal and Interest with respect to the Securities that are due have been paid in full in cash. No default that existed or was continuing on the date of delivery of any Payment Blockage Notice with respect to the Designated Senior Debt whose holders delivered the Payment Blockage Notice may be made the basis of a subsequent Payment Blockage Notice by the holders of such Designated Senior Debt, whether or not within a period of 365 consecutive days.

The Company may and shall resume payments on and distributions in respect of the Securities upon:

(1) in the case of a Payment Default, the date upon which the default is cured or waived or ceases to exist, or

(2) in the case of a Non−Payment Default, the earlier of the date on which such default is cured or waived or ceases to exist, in each case as and to the extent permitted under the documentation for the Designated Senior Debt, or the 179th day after the date on which the applicable Payment Blockage Notice is received, in each case, unless the maturity of the Designated Senior Debt has been accelerated or this Article 5 otherwise prohibits the payment or distribution at the time of such payment or distribution.

Upon any payment by the Company, or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to

creditors upon any dissolution or winding−up or liquidation or reorganization of the Company (whether voluntary or involuntary) or in bankruptcy, insolvency, receivership or similar proceedings, all amounts due or to become due upon all Senior Debt shall first be paid in full in cash, or other payments satisfactory to the holders of Senior Debt before any payment of cash, property or securities is made on account of the principal of or Interest on, or with respect to the conversion of, the Securities (except, to the extent required by applicable law, payments made pursuant to Article 14 from monies deposited with the Trustee pursuant thereto prior to commencement of proceedings for such dissolution, winding−up, liquidation or reorganization); and upon any such dissolution or winding−up or liquidation or reorganization of the Company or bankruptcy, insolvency, receivership or other proceeding, any payment by the Company, or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to which the Holders of the Securities or the Trustee would be entitled, except for the provision of this Article 5, shall (except as aforesaid) be paid by the Company or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other Person making such payment or distribution, or by the Holders of the Securities or by the Trustee under this Indenture if received by them or it, directly to the holders of Senior Debt (pro rata to such holders on the basis of the respective amounts of Senior Debt held by such holders, or as otherwise required by law or a court order) or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any Senior Debt may have been issued, as their respective interests may appear, to the extent necessary to pay all Senior Debt in full in cash, or other payment satisfactory to the holders of Senior Debt, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt, before any payment or distribution is made to the Holders of the Securities or to the Trustee.

For purposes of this Article 5, the words, “cash, property or securities” shall not be deemed to include shares of Capital Stock of the Company as reorganized or readjusted, or securities of the Company or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinated at least to the extent provided in this Article 5 with respect to the Securities to the payment of all Senior Debt which may at the time be outstanding; *provided* that (i) the Senior Debt is assumed by the new corporation, if any, resulting from any reorganization or readjustment, and (ii) the rights of the holders of Senior Debt (other than leases which are not assumed by the Company or the new corporation, as the case may be) are not, without the consent of such holders, altered by such reorganization or readjustment. The consolidation of the Company with, or the merger of the Company into, another corporation or the liquidation or dissolution of the Company following the conveyance, transfer or lease of all or substantially all its property to another corporation upon the terms and conditions provided for in Article 11 shall not be deemed a dissolution, winding−up, liquidation or reorganization for the purposes of this Section 5.02 if such other corporation shall, as a part of such consolidation, merger, conveyance, transfer or lease, comply with the conditions stated in Article 11.

If payment of the Securities is accelerated because of an Event of Default, the Company shall promptly notify holders of Senior Debt or their Representatives of such acceleration. The Company shall not pay the Securities until five days after the holders or Representatives for the holders of Senior Debt receive notice of the acceleration and after which the Company shall pay the Securities only if this Article 5 otherwise permits payment at that time.

In the event that, notwithstanding the foregoing provisions, any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities (including, without limitation, by way of setoff or otherwise), prohibited by the foregoing, shall be received by the Trustee or the Holders of the Securities before all Senior Debt is paid in full, in cash or other payment satisfactory to the holders of Senior Debt, or provision is made for such payment thereof in accordance with its terms in cash or other payment satisfactory to the holders of Senior Debt, such payment or distribution shall be held in trust for the benefit of and shall be paid over or delivered to the holders of Senior Debt or their Representative or Representatives, as their respective interests may appear, as calculated by the Company, for application to the payment of all Senior Debt remaining unpaid to the extent necessary to pay all Senior Debt in full, in cash or other payment satisfactory to the holders of Senior Debt or their Representative, after giving effect to any concurrent payment or distribution to or for the holders of such Senior Debt.

Nothing in this Section 5.02 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 10.05 and Section 12.07. This Section 5.02 shall be subject to the further provisions of Section 5.05.

Section 5.03. *Subrogation of Securities.* Subject to the payment in full, in cash or other payment satisfactory to the holders of Senior Debt, of all Senior Debt, the rights of the Holders of the Securities shall be subrogated to the extent of the payments or distributions made to the holders of such Senior Debt pursuant to the provisions of this Article 5 (equally and ratably with the holders of all Indebtedness of the Company which by its express terms is subordinated to other Indebtedness of the Company to substantially the same extent as the Securities are subordinated and is entitled to like rights of subrogation) to the rights of the holders of Senior Debt to receive payments or distributions of cash, property or securities of the Company applicable to the Senior Debt until the principal of and Interest on the Securities shall be paid in full in cash or other payment satisfactory to the Holders of Securities; and, for the purposes of such subrogation, no payments or distributions to the holders of the Senior Debt of any cash, property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article 5, and no payment over pursuant to the provisions of this Article 5, to or for the benefit of the holders of Senior Debt by Holders of the Securities or the Trustee, shall, as between the Company, its creditors other than holders of Senior Debt, and the Holders of the Securities, be deemed to be a payment by the Company to or on account of the Senior Debt; and no payment or distribution of cash, property or securities to or for the benefit

of the Holders of the Securities pursuant to the subrogation provisions of this Article 5, which would otherwise have been paid to the holders of Senior Debt shall be deemed to be a payment by the Company to or for the account of the Securities. It is understood that the provisions of this Article 5 are and are intended solely for the purposes of defining the relative rights of the Holders of the Securities, on the one hand, and the holders of the Senior Debt, on the other hand.

Nothing contained in this Article 5 or elsewhere in this Indenture or in the Securities is intended to or shall impair, as among the Company, its creditors other than the holders of Senior Debt, and the Holders of the Securities, the obligation of the Company, which is absolute and unconditional, to pay to the Holders of the Securities the principal of and Interest on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders of the Securities and creditors of the Company other than the holders of the Senior Debt.

Upon any payment or distribution of assets of the Company referred to in this Article 5, the Trustee, subject to the provisions of Section 12.01, and the Holders of the Securities shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such bankruptcy, dissolution, winding−up, liquidation or reorganization proceedings are pending, or a certificate of the receiver, trustee in bankruptcy, liquidating trustee, agent or other Person making such payment or distribution, delivered to the Trustee or to the Holders of the Securities, for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of the Company, the amount thereof or payable thereon and all other facts pertinent thereto or to this Article 5.

Section 5.04. *Authorization to Effect Subordination.* Each Holder of a Security by the Holder’s acceptance thereof authorizes and directs the Trustee on the Holder’s behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 5 and appoints the Trustee to act as the Holder’s attorney−in−fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 5.03 hereof at least 30 days before the expiration of the time to file such claim, the holders of any Senior Debt or their representatives are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Securities.

Section 5.05. *Notice to Trustee.* The Company shall give prompt written notice in the form of an Officers’ Certificate to a Responsible Officer of the Trustee and to any Paying Agent of any fact known to the Company that would prohibit the making of any payment of monies to or by the Trustee or any Paying Agent in respect of the Securities pursuant to the provisions of this Article 5. Notwithstanding the provisions of this Article 5 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of

any facts which would prohibit the making of any payment of monies to or by the Trustee in respect of the Securities pursuant to the provisions of this Article 5, unless and until a Responsible Officer of the Trustee shall have received written notice thereof at the applicable Corporate Trust Office from the Company (in the form of an Officers' Certificate) or a Representative or a Holder or Holders of Senior Debt or from any trustee thereof; and before the receipt of any such written notice, the Trustee, subject to the provisions of Section 12.01, shall be entitled in all respects to assume that no such facts exist; *provided* that, if on a date not less than two Business Days prior to the date upon which by the terms hereof any such monies may become payable for any purpose (including, without limitation, the payment of the principal of or Interest on any Security) the Trustee shall not have received, with respect to such monies, the notice provided for in this Section 5.05, then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such monies and to apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such prior date. Notwithstanding anything in this Article 5 to the contrary, nothing shall prevent any payment by the Trustee to the Holders of monies deposited with it pursuant to Article 14, and any such payment shall not be subject to the provisions of this Article 5.

The Trustee, subject to the provisions of Section 12.01, shall be entitled to rely on the delivery to it of a written notice by a Representative or a person representing himself to be a holder of Senior Debt (or a trustee on behalf of such holder) to establish that such notice has been given by a Representative or a holder of Senior Debt. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any person as a holder of Senior Debt to participate in any payment or distribution pursuant to this Article 5, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Debt held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article 5, and if such evidence is not furnished the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

Section 5.06. *Trustee's Relation to Senior Debt.* The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article 5 in respect of any Senior Debt at any time held by it, to the same extent as any other holder of Senior Debt, and nothing in Section 12.12 or elsewhere in this Indenture shall deprive the Trustee of any of its rights as such holder.

With respect to the holders of Senior Debt, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article 5, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the

holders of Senior Debt and, subject to the provisions of Section 12.01, the Trustee shall not be liable to any holder of Senior Debt if it shall pay over or deliver to Holders of Securities, the Company or any other Person money or assets to which any holder of Senior Debt shall be entitled by virtue of this Article 5 or otherwise.

Section 5.07. *No Impairment of Subordination.* No right of any present or future holder of any Senior Debt to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or otherwise be charged with.

Section 5.08. *Certain Conversions Not Deemed Payment.* For the purposes of this Article 5 only, the issuance and delivery of Common Stock and the payment of cash in lieu of fractional shares of such Common Stock upon conversion of a Security in accordance with Article 9 shall not be deemed to constitute a payment or distribution on account of the principal of or Interest on such Security. Nothing contained in this Article 5 or elsewhere in this Indenture or in the Securities is intended to or shall impair, as among the Company, its creditors other than holders of Senior Debt and the Holders, the right, which is absolute and unconditional, of the Holder of any Security to convert such Security in accordance with Article 9.

Section 5.09. *Article Applicable to Paying Agents.* If at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "**Trustee**" as used in this Article 5 shall (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article 5 in addition to or in place of the Trustee; *provided, however* that the first paragraph of Section 5.05 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent.

Section 5.10. *Senior Debt Entitled to Rely.* The holders of Senior Debt (including, without limitation, Designated Senior Debt) shall have the right to rely upon this Article 5, and no amendment or modification of the provisions contained herein shall diminish the rights of such holders unless such holders shall have agreed in writing thereto.

ARTICLE 6
COVENANTS

Section 6.01. *Payments.* The Company shall duly and punctually make all payments in respect of the Securities in accordance with the terms of the Securities and this Indenture.

Any payments made or due pursuant to this Indenture shall be considered paid on the applicable date due if by 10:00 a.m., New York City time, on such date the Paying Agent holds, in accordance with this Indenture, cash sufficient to pay all such amounts then due. Payment of the principal of and Interest on the Securities shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Section 6.02. *Maintenance of Office or Agency.* The Company shall maintain an office or agency in the Borough of Manhattan, The City of New York, where Securities may be presented or surrendered for payment or conversion, where Securities may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served, which shall initially be the applicable Corporate Trust Office of the Trustee. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency not designated or appointed by the Trustee. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies (in or outside the Borough of Manhattan, The City of New York) where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however* that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York, for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 6.03. *Appointments to Fill Vacancies in Trustee's Office.* The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 12.10(a), a Trustee, so that there shall at all times be a Trustee hereunder.

Section 6.04. *Money For Security Payments to Be Held in Trust.* If the Company shall at any time act as its own Paying Agent, it shall, on or before each due date of any payment in respect of any of the Securities, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to make the payment so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and shall promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents, it will, prior to each due date of any payment in respect of any Securities, deposit with a

Paying Agent a sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 6.04, that such Paying Agent will (i) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (ii) during the continuance of any default by the Company (or any other obligor upon the Securities) in the making of any payment in respect of the Securities, upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent as such.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the making of payments in respect of any Security and remaining unclaimed for two years after such payment has become due shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided, however* that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining shall be repaid to the Company. In the absence of a written request from the Company to return funds remaining unclaimed for two years after such payment has become due to the Company, the Trustee shall from time to time deliver all unclaimed payments to or as directed by applicable escheat authorities, as determined by the Trustee in its sole discretion, in accordance with the customary practices and procedures of the Trustee. Any such unclaimed funds held by the Trustee pursuant to this Section 6.04 shall be held uninvested and without any liability for interest.

Section 6.05. *Statement by Officers as to Default.* The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the

Company ending after the date hereof, an Officers' Certificate, stating whether or not to the knowledge of the signers thereof the Company is in Default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Company shall be in Default, specifying all such Defaults and the nature and status thereof of which they may have knowledge. The Company shall deliver to the Trustee, within 60 days after the Company's knowledge of the occurrence of an Event of Default, an Officers' Certificate setting forth the status and the nature of such Event of Default and the action which the Company proposes to take with respect thereto.

Section 6.06. *Existence.* Subject to Article 11, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; *provided*, *however*, that the Company shall not be required to preserve any such right or franchise if the Board of Directors of the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

Section 6.07. *Rule 144A Information Requirement.* Within the period prior to the expiration of the holding period applicable to sales of Securities or any Common Stock issuable on conversion thereof under Rule 144(k) under the Securities Act (or any successor provision), the Company covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the Exchange Act, make available to any Holder or beneficial Securityholder or any such Common Stock, in each case which continue to be Restricted Securities, in connection with any sale thereof and any prospective Purchasers of Securities or such Common Stock from such Holder or beneficial holder, the information required pursuant to Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial holder of the Securities or such Common Stock and it will take such further action as any Holder or beneficial holder of such Securities or such Common Stock may reasonably request, all to the extent required from time to time to enable such Holder or beneficial holder to sell its Securities or Common Stock without registration under the Securities Act within the limitation of the exemption provided by Rule 144A, as such rule may be amended from time to time. Upon the request of any Holder or any beneficial holder of the Securities or such Common Stock, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

Section 6.08. *Resale of Certain Securities.* During the period beginning on the Issue Date and ending on the date that is two years from the Issue Date, the Company shall not, and shall not permit any of its "**affiliates**" (as defined under Rule 144 under the Securities Act or any successor provision thereto) to, resell any Securities which constitute "**restricted securities**" under Rule 144 that have been reacquired by any of them. The Trustee shall have no responsibility in respect of the Company's performance of its agreement in the preceding sentence.

Section 6.09. *Book−entry System.* If the Securities cease to trade in the Depositary's book−entry settlement system, the Company covenants and agrees that it shall use reasonable efforts to make such other book entry arrangements that it determines are reasonable for the Securities.

Section 6.10. *Additional Interest Under The Registration Rights Agreement.* If at any time Additional Interest becomes payable by the Company pursuant to the Registration Rights Agreement, the Company shall promptly deliver to the Trustee a certificate executed by an officer of the Company who may execute a Company Order to that effect and stating (i) the amount of such Additional Interest that is payable and (ii) the date on which such Additional Interest is payable pursuant to the terms of the Registration Rights Agreement. Unless and until a Responsible Officer of the Trustee receives such a certificate, the Trustee may assume without inquiry that no Additional Interest is payable. If the Company has paid Additional Interest directly to the Persons entitled to such Additional Interest, the Company shall deliver to the Trustee a certificate setting forth the particulars of such payment.

Section 6.11. *Stay, Extension and Usury Laws.* The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest, on the Securities as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture; and the Company (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 6.12. *Further Instruments and Acts.* Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

Section 6.13. *Commission Filings and Reports.* The Company covenants to comply with Section 314(a) of the Trust Indenture Act as it relates to reports, information and documents that the Company may be required to file with the Trustee pursuant to such Section 314(a) and with the Commission pursuant to Section 13 or 15(d) of the Exchange Act or otherwise by the Exchange Act, the Trust Indenture Act or other rules and regulations of the Commission and to file such reports, information and documents with the Trustee within 15 calendar days after the same is filed with the Commission; *provided* that in each case the delivery of materials to the Trustee by electronic means or filing of documents pursuant to the Commission's "EDGAR" system (or any successor electronic filing system) shall be deemed to constitute "filing" with the Trustee for purposes

of this Section 6.13. Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 6.14. *Tax Treatment of The Securities.* The Company agrees, and by acceptance of a beneficial ownership interest in the Securities each Holder of Securities will be deemed to have agreed, for United States federal income tax purposes, (a) to treat the Securities as Indebtedness of the Company subject to United States Treasury regulations section 1.1275−4 (the "**Contingent Debt Regulations**") and, for purposes of the Contingent Debt Regulations, to treat the fair market value of any Common Stock beneficially received by a Holder upon any conversion of the Securities as a contingent payment, (b) to be bound by the Company's determination of the "comparable yield" and "projected payment schedule," within the meaning of the Contingent Debt Regulations, with respect to the Securities and (c) to use such "comparable yield" and "projected payment schedule" in determining interest accruals with respect to such Holder's Securities and in determining adjustments thereto. A Holder of Securities may obtain the issue date, yield to maturity, comparable yield and the projected payment schedule by submitting a written request for such information to: Xilinx, Inc., 2100 Logic Drive, San Jose, CA 95124, Attention: Corporate Secretary.

ARTICLE 7
REDEMPTION

Section 7.01. *Right to Redeem; Notices to Trustee.* (a) The Securities may be redeemed in whole or in part at the option of the Company:

(i) on or prior to August 27, 2007, if any Tax Triggering Event has occurred; and

(ii) on or after March 15, 2014, if the Last Reported Sale Price of the Company's Common Stock has been greater than or equal to 130% of Conversion Price then in effect for at least 20 Trading Days during any 30 consecutive Trading Day period prior to the date on which the Company provides notice of redemption.

(b) The redemption price at which the Securities are redeemable (the "**Redemption Price**") shall be payable in cash and shall be equal to:

(i) in the case of a redemption pursuant to Section 7.01(a)(i), 101.5% of the Principal Amount of the Securities being redeemed plus (A) accrued and unpaid Interest to, but excluding, the Redemption Date and (B) if the Conversion Parity Value as of the Redemption Date of the

Securities being redeemed exceeds their Initial Conversion Value, 79% of the amount determined by subtracting the Initial Conversion Value of such Securities from their Conversion Parity Value as of the Redemption Date; or

(ii) in the case of a redemption pursuant to Section 7.01(a)(ii), 100% of the Principal Amount of Securities being redeemed, together with accrued and unpaid Interest to, but excluding, the Redemption Date; *provided*, *however*, that if Securities are redeemed on any Interest Payment Date, the Interest payable in respect of such Interest Payment Date shall be payable to the Holders of record as of the corresponding Record Date.

(c) The Company may not redeem any Securities unless all accrued and unpaid Interest thereon has been or is simultaneously paid for all semi−annual periods or portions thereof terminating prior to the Redemption Date. In addition, the Company may not redeem any Securities or deliver to any Holder of Securities a notice of redemption pursuant to Section 7.03 during any Extension Period or at any time when there exists any accrued and unpaid Deferred Interest.

(d) Except as provided in this Section 7.01, the Securities shall not be redeemable by the Company.

Section 7.02. *Selection of Securities to Be Redeemed.* If less than all the Securities are to be redeemed, the Trustee shall select the Securities to be redeemed pro rata or by lot or by any other method the Trustee considers fair and appropriate (so long as such method is not prohibited by the rules of the Nasdaq Global Select Market or any stock exchange on which the Securities are then listed, as applicable). The Trustee shall make the selection within 7 days from its receipt of the notice from the Company delivered pursuant to Section 7.03 from Outstanding Securities not previously called for redemption.

Securities and portions of them the Trustee selects shall be in Principal Amounts of $1,000 or integral multiples of $1,000. Provisions of this Indenture that apply to Securities called for redemption in whole also apply to Securities called for redemption in part. The Trustee shall notify the Company promptly of the Securities or portions of Securities to be redeemed.

If any Security selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Security so selected, the converted portion of such Security shall be deemed (so far as may be) to be the portion selected for redemption. Securities which have been converted during a selection of Securities to be redeemed may be treated by the Trustee as outstanding for the purpose of such selection.

Section 7.03. *Notice of Redemption.* At least 30 days but not more than 60 days before a Redemption Date, the Company shall mail a notice of

redemption by first−class mail, postage prepaid, to the Trustee, the Paying Agent and each Holder of Securities to be redeemed; *provided, however* that the Company may not deliver any such notice to any Holder of Securities during any Extension Period or at any time when there exists any accrued and unpaid Deferred Interest.

The notice shall specify the Securities to be redeemed and shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) the Conversion Price;

(iv) the name and address of the Paying Agent and Conversion Agent;

(v) that Securities called for redemption may be converted at any time before the close of business on the Business Day immediately preceding the Redemption Date;

(vi) that Holders who want to convert Securities must satisfy the requirements set forth therein and in this Indenture;

(vii) that Securities called for redemption must be surrendered to the Paying Agent for cancellation to collect the Redemption Price;

(viii) if fewer than all the outstanding Securities are to be redeemed, the certificate numbers (if such Securities are held other than in global form) and Principal Amounts of the particular Securities to be redeemed;

(ix) that, unless the Company defaults in making payment of such Redemption Price, Interest will cease to accrue on and after the Redemption Date; and

(x) the CUSIP number of the Securities.

At the Company's written request delivered at least 45 days prior to the date such notice is to be given (unless a shorter time period shall be acceptable to the Trustee), the Trustee shall give the notice of redemption to each Holder of Securities to be redeemed in the Company's name and at the Company's expense.

Section 7.04. *Effect of Notice of Redemption.* Once notice of redemption is given, Securities called for redemption become due and payable on the Redemption Date and at the Redemption Price stated in the notice except for Securities that are converted in accordance with the terms of this Indenture. Upon

surrender to the Paying Agent, such Securities shall be paid at the Redemption Price stated in the notice.

Section 7.05. *Deposit of Redemption Price.* Prior to 10:00 a.m., New York City time, on a Redemption Date, the Company shall deposit with the Paying Agent (or if the Company or a Subsidiary or an Affiliate of either of them is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the Redemption Price of all Securities to be redeemed on that date other than Securities or portions of Securities called for redemption which on or prior thereto have been delivered by the Company to the Trustee for cancellation or have been converted. The Paying Agent shall as promptly as practicable return to the Company any money not required for that purpose because of conversion of Securities pursuant to Article 9. If such money is then held by the Company in trust and is not required for such purpose it shall be discharged from such trust.

Section 7.06. *Securities Redeemed in Part.* Upon surrender of a Security that is redeemed in part, the Company shall execute and the Trustee shall authenticate and deliver to the Holder a new Security in an authorized denomination equal in principal amount to the unredeemed portion of the Security surrendered.

Section 7.07. *No Requirement to Register*. The Company shall not be required to (i) issue, register the transfer of, or exchange any Securities during a period of 15 days before the Redemption Date or (ii) register the transfer of, or exchange any, Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Security being redeemed in part.

ARTICLE 8
FUNDAMENTAL CHANGES AND REPURCHASES THEREUPON

Section 8.01. *Repurchase At Option of Holders Upon A Fundamental Change.*

(a) *Generally*. If a Fundamental Change occurs at any time, then each Holder shall have the right, at such Holder's option, to require the Company to repurchase all of such Holder's Securities or any portion thereof that is a multiple of $1,000 Principal Amount, on a Business Day (the "**Fundamental Change Repurchase Date**") specified by the Company that is not less than 20 nor more than 35 calendar days after the date of the Fundamental Change Company Notice (as defined below) at a repurchase price equal to 100% of the Principal Amount thereof, together with accrued and unpaid Interest thereon to, but excluding, the Fundamental Change Repurchase Date (the "**Fundamental Change Repurchase Price**"); *provided*, *however* that if Securities are repurchased pursuant to this Section 8.01 on any date between a Record Date and the Interest Payment Date to which such Record Date relates, the Interest payable in respect of such Interest Payment Date shall be payable to the Holders of record as of such Record Date.

Repurchases of Securities under this Section 8.01, at the option of the Holder thereof, shall be made upon:

(i) delivery to the Trustee (or other Paying Agent appointed by the Company) by a Holder, prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date, of a duly completed notice (the "**Fundamental Change Repurchase Notice**") in the form set forth on the reverse of the Securities prior to the close of business on the Fundamental Change Repurchase Date; and

(ii) delivery or book−entry transfer of the Securities to the Trustee (or other Paying Agent appointed by the Company) on or before the Business Day immediately preceding the Fundamental Change Repurchase Date (together with all necessary endorsements) at the applicable Corporate Trust Office of the Trustee (or other Paying Agent appointed by the Company) in the Borough of Manhattan, such delivery being a condition to receipt by the Holder of the Fundamental Change Repurchase Price therefor; *provided* that such Fundamental Change Repurchase Price shall be so paid pursuant to this Section 8.01 only if the Securities so delivered to the Trustee (or other Paying Agent appointed by the Company) shall conform in all respects to the description thereof in the related Fundamental Change Repurchase Notice.

The Fundamental Change Repurchase Notice shall state:

(A) if certificated, the certificate numbers of Securities to be delivered for repurchase;

(B) the portion of the Principal Amount of Securities to be repurchased, which must be $1,000 or an integral multiple thereof; and

(C) that the Securities are to be repurchased by the Company pursuant to the applicable provisions of the Securities and the Indenture.

Any purchase by the Company contemplated pursuant to the provisions of this Section 8.01 shall be consummated by the delivery of the consideration to be received by the Holder promptly following the later of the Fundamental Change Repurchase Date and the time of the book−entry transfer or delivery of the Securities.

Notwithstanding anything herein to the contrary, any Holder delivering to the Trustee (or other Paying Agent appointed by the Company) the Fundamental Change Repurchase Notice contemplated by this Section 8.01 shall have the right to withdraw such Fundamental Change Repurchase Notice at any time prior to the close of business on the Business Day prior to the Fundamental Change Repurchase Date by delivery of a written notice of withdrawal to the Trustee (or

other Paying Agent appointed by the Company) in accordance with Section 8.03 below.

The Trustee (or other Paying Agent appointed by the Company) shall promptly notify the Company of the receipt by it of any Fundamental Change Repurchase Notice or written notice of withdrawal thereof.

(b) *Fundamental Change Company Notice*. On or before the 20th Business Day after the occurrence of a Fundamental Change, the Company shall provide to all Holders of record of the Securities and the Trustee and Paying Agent a notice (the "**Fundamental Change Company Notice**") of the occurrence of such Fundamental Change and of the repurchase right at the option of the Holders arising as a result thereof. Such mailing shall be by first class mail. Simultaneously with providing such Fundamental Change Company Notice, the Company shall publish a notice containing the information included therein once in a newspaper of general circulation in The City of New York or publish such information on the Company's website or through such other public medium as the Company may use at such time.

Each Fundamental Change Company Notice shall specify:

(i) the events causing the Fundamental Change;

(ii) the date of the Fundamental Change;

(iii) the last date on which a Holder may exercise the repurchase right;

(iv) the Fundamental Change Repurchase Price;

(v) the Fundamental Change Repurchase Date;

(vi) the name and address of the Paying Agent and the Conversion Agent, if applicable;

(vii) if applicable, the applicable Conversion Rate and any adjustments to the applicable Conversion Rate;

(viii) if applicable, that the Securities with respect to which a Fundamental Change Repurchase Notice has been delivered by a Holder may be converted only if the Holder withdraws the Fundamental Change Repurchase Notice in accordance with Section 8.03; and

(ix) the procedures that Holders must follow to require the Company to repurchase their Securities.

No failure of the Company to give the foregoing notices and no defect therein shall limit the Securityholders' repurchase rights or affect the validity of the proceedings for the repurchase of the Securities pursuant to this Section 8.01.

(c) *No Payment During Events of Default*. There shall be no repurchase of any Securities pursuant to this Section 8.01 if there has occurred (prior to, on or after, as the case may be, the giving, by the Holders of such Securities, of the required Fundamental Change Repurchase Notice) and is continuing an Event of Default (other than a default that is cured by the payment of the Fundamental Change Repurchase Price with respect to such Securities). The Paying Agent will promptly return to the respective Holders thereof any Securities (i) with respect to which a Fundamental Change Repurchase Notice has been withdrawn in compliance with this Indenture, or (ii) held by it during the continuance of an Event of Default (other than a default that is cured by the payment of the Fundamental Change Repurchase Price with respect to such Securities) in which case, upon such return, the Fundamental Change Repurchase Notice with respect thereto shall be deemed to have been withdrawn.

(d) *Payment of Fundamental Change Repurchase Price*. The Securities to be repurchased pursuant to this Section 8.01 shall be paid for in cash.

Section 8.02. *Effect of Fundamental Change Repurchase Notice.* Upon receipt by the Paying Agent of the Fundamental Change Repurchase Notice specified in Section 8.01(a), the Holder of the Security in respect of which such Fundamental Change Repurchase Notice was given shall (unless such Fundamental Change Repurchase Notice is withdrawn as specified in the following two paragraphs) thereafter be entitled to receive solely the Fundamental Change Repurchase Price with respect to such Security. Such Fundamental Change Repurchase Price shall be paid to such Holder, subject to receipt of funds by the Paying Agent, promptly following the later of (x) the Fundamental Change Repurchase Date with respect to such Security (*provided* the conditions in Section 8.01(a) have been satisfied) and (y) the time of delivery of such Security to the Paying Agent by the Holder thereof in the manner required by Section 8.01(a).

Section 8.03. *Withdrawal of Fundamental Change Repurchase Notice.*

(a) A Fundamental Change Repurchase Notice may be withdrawn by means of a written notice of withdrawal delivered to the Paying Agent in accordance with the Fundamental Change Company Notice at any time prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date, specifying:

(i) the Principal Amount of the Securities with respect to which such notice of withdrawal is being submitted;

(ii) if Physical Securities have been issued, the certificate numbers of the withdrawn Securities; and

(iii) the Principal Amount, if any, of such Securities that remains subject to the original Fundamental Change Repurchase Notice, which portion must be in principal amounts of $1,000 or an integral multiple of $1,000;

provided, however, that if the Securities are not Physical Securities, the notice must comply with appropriate procedures of the Depositary.

Section 8.04. *Deposit of Fundamental Change Repurchase Price.* Prior to 10:00 a.m. (local time in The City of New York) on the Fundamental Change Repurchase Date, the Company shall deposit with the Trustee or with the Paying Agent (or, if the Company or a Subsidiary or an Affiliate of either of them is acting as the Paying Agent, shall segregate and hold in trust as provided herein) an amount of money (in immediately available funds if deposited on such Business Day) sufficient to pay the Fundamental Change Repurchase Price, of all the Securities or portions thereof that are to be repurchased as of the Fundamental Change Repurchase Date. The Company shall promptly notify the Trustee in writing of the amount of any deposits of cash made pursuant to this Section 8.04. If the Paying Agent holds cash sufficient to pay the Fundamental Change Repurchase Price of any Security for which a Fundamental Change Repurchase Notice has been tendered and not withdrawn in accordance with this Indenture as of the close of business on the Business Day prior to the Fundamental Change Repurchase Date, then immediately following the Fundamental Change Repurchase Date, (a) such Security will cease to be outstanding and Interest will cease to accrue thereon and (b) all other rights of the Holder in respect thereof will terminate (other than the right to receive the Fundamental Change Repurchase Price and previously accrued and unpaid Interest upon delivery or transfer of such Security).

Section 8.05. *Securities Repurchased in Whole or in Part.* Any Security that is to be repurchased, whether in whole or in part, shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder in aggregate Principal Amount equal to, and in exchange for, the portion of the Principal Amount of the Security so surrendered which is not repurchased.

Section 8.06. *Covenant to Comply With Securities Laws Upon Repurchase of Securities.* In connection with any offer to repurchase Securities under Section 8.01 (*provided* that such offer or repurchase constitutes an "issuer tender offer" for purposes of Rule 13e−4 (which term, as used herein, includes any successor provision thereto) under the Exchange Act at the time of such offer or repurchase), the Company shall (i) comply with Rule 13e−4 and Rule 14e−1 under

the Exchange Act, (ii) file the related Schedule TO (or any successor schedule, form or report) under the Exchange Act, and (iii) otherwise comply with all Federal and state securities laws so as to permit the rights and obligations under Section 8.01 to be exercised in the time and in the manner specified in Section 8.01.

Section 8.07. *Repayment to The Company.* The Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest or dividends, if any, thereon, held by them for the payment of the Fundamental Change Repurchase Price; *provided* that to the extent that the aggregate amount of cash deposited by the Company pursuant to Section 8.04 exceeds the aggregate Fundamental Change Repurchase Price of the Securities or portions thereof which the Company is obligated to repurchase as of the Fundamental Change Repurchase Date, then as soon as practicable following the Fundamental Change Repurchase Date, the Trustee or the Paying Agent, as the case may be, shall return any such excess to the Company.

Section 8.08. *Purchase by Third Party.* Notwithstanding the foregoing provisions of this Article 8, the Company shall not be required to issue a Fundamental Change Company Notice upon a Fundamental Change (i) if a third party issues a Fundamental Change Company Notice in the manner, at the times and otherwise in compliance with the requirements set forth in Section 8.01(b) applicable to a Fundamental Change Company Notice made by the Company and otherwise complies with the provisions of this Article 8 as if it were the Company, and (ii) purchases and pays for all Securities validly tendered and not withdrawn pursuant to such Fundamental Change Company Notice.

ARTICLE 9
CONVERSION

Section 9.01. *Right to Convert.* (a) Subject to and upon compliance with the provisions of this Indenture, each Holder shall have the right, at such Holder's option, at any time following the Issue Date of the Securities hereunder through the close of business on the Business Day immediately prior to the Stated Maturity to convert the Principal Amount of any such Securities, or any portion of such Principal Amount which is $1,000 or an integral multiple thereof at a rate ("**Conversion Rate**") then in effect, (x) on or after December 15, 2036, without regard to the conditions described in clauses (i) through (v) below and (y) prior to December 15, 2036, only upon the satisfaction of any of the following conditions:

(i) A Holder may surrender all or a portion of its Securities for conversion during any fiscal quarter (and only during such fiscal quarter) commencing after June 30, 2007 if the Last Reported Sale Price for the Common Stock for at least 20 Trading Days during the period of 30 consecutive Trading Days ending on the last Trading Day of the

immediately preceding fiscal quarter is greater than or equal to 130% of the Conversion Price in effect on such last Trading Day.

(ii) A Holder may surrender its Securities for conversion during the five Business Day period after any 10 consecutive Trading Day period (the "**Measurement Period**") in which the Trading Price per $1,000 principal amount of Securities, as determined following a request by a Holder in accordance with the procedures set forth in this Section 9.01(a)(ii), for each day of such period was less than 98% of the product of the Last Reported Sale Price of the Common Stock and the applicable Conversion Rate. In connection with any conversion in accordance with this Section 9.01(a)(ii), the Bid Solicitation Agent shall have no obligation to determine the Trading Price of the Securities unless requested by the Company; and the Company shall have no obligation to make such request unless a Holder provides the Company with reasonable evidence that the Trading Price per $1,000 principal amount of Securities would be less than 98% of the product of the Last Reported Sale Price of the Common Stock and the applicable Conversion Rate. Promptly after receiving such evidence, the Company shall instruct the Bid Solicitation Agent to determine the Trading Price of the Securities beginning on the next Trading Day and on each successive Trading Day until the Trading Price per $1,000 principal amount of Securities is greater than or equal to 98% of the product of the Last Reported Sale Price of the Common Stock and the applicable Conversion Rate.

(iii) A Holder may surrender its Securities for conversion if the Company calls such Securities for redemption as provided in Article 7, at any time prior to the close of business on the Trading Day immediately preceding the Redemption Date, after which time the Holder's right to convert its Securities pursuant to this Section 9.01(a)(iii) will expire unless the Company defaults in the payment of the Redemption Price.

(iv) In the event that the Company elects to:

(A) issue to all or substantially all holders of Common Stock rights entitling them to purchase, for a period expiring within 60 days after the date of the distribution, shares of Common Stock at less than the average of the Last Reported Sale Prices of a share of Common Stock for the 10 consecutive Trading Day period ending on the Trading Day preceding the announcement of such issuance; or

(B) distribute to all or substantially all holders of Common Stock assets of the Company, debt securities or rights to purchase securities of the Company, which distribution has a per share value, as determined by the Company's Board of Directors in good faith, exceeding 10% of the Last Reported Sale Price of

the Common Stock on the Trading Day preceding the declaration date for such distribution,

then, in each case, the Company shall notify the Holders, in the manner provided in Section 1.06, at least 25 Scheduled Trading Days prior to the Ex Date for such distribution. Once the Company has given such notice, Holders may surrender Securities for conversion at any time until the earlier of 5:00 p.m., New York City time, on the Business Day immediately prior to such Ex Date or the Company's announcement that such distribution will not take place, even if the Securities are not otherwise convertible at such time.

(v) (A) If the Company is party to a transaction described in clause (2) of the definition of Fundamental Change (without giving effect to the proviso set forth in the definition thereof relating to Publicly Traded Securities), the Company shall notify Holders, in the manner provided in Section 1.06, at least 25 Scheduled Trading Days prior to the anticipated effective date for such transaction. Once the Company has given such notice, Holders may surrender Securities for conversion at any time until 25 calendar days after the actual effective date of such transaction (or, if such transaction also constitutes a Fundamental Change, the related Fundamental Change Purchase Date).

(B) If a Fundamental Change of the type described in clause (1) or (3) in the definition thereof occurs, Holders may surrender Securities for conversion at any time beginning on the actual effective date of such Fundamental Change until and including the date that is 30 calendar days after the actual effective date of such transaction or, if earlier, until the related Fundamental Change Purchase Date.

(b) For purposes of this Section 9.01, and notwithstanding the definition contained in Section 1.01, the term "**Trading Day**" shall mean a day during which (A) trading in the Common Stock generally occurs on the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted for trading, (B) there is no Market Disruption Event and (C) a Last Reported Sale Price is available on the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted for trading. If the Common Stock (or other security for which a Last Reported Sale Price must be determined for purposes of this Section 9.01) is not listed or admitted for trading on a U.S. national or regional securities exchange or market, then, for purposes of this Section 9.01, "**Trading Day**" shall mean a Business Day.

(c) Notwithstanding the foregoing, a Security in respect of which a Holder has delivered a Fundamental Change Repurchase Notice exercising such Holder's option to require the Company to repurchase such Security may be converted only if such notice of exercise is withdrawn in accordance with Article

8 hereof prior to the close of business on the Fundamental Change Repurchase Date.

Section 9.02. *Conversion Procedure.* (a) Each Security shall be convertible at the office of the Conversion Agent.

(b) In order to exercise the conversion right with respect to any interest in Global Securities, the Holder must complete the appropriate instruction form for conversion pursuant to the Depositary's book−entry conversion program, furnish appropriate endorsements and transfer documents if required by the Company or the Trustee or Conversion Agent, and pay the funds, if any, required by this Section 9.02 and any transfer taxes if required pursuant to Section 9.08. In order to exercise the conversion right with respect to any Securities in certificated form, the Holder of any Physical Securities, the Holder of any such Securities to be converted, in whole or in part, shall:

(i) complete and manually sign the conversion notice provided on the back of the Security (the "**Conversion Notice**") or a facsimile of the conversion notice and deliver such notice to the Conversion Agent;

(ii) surrender the Security to the Conversion Agent;

(iii) if required, furnish appropriate endorsements and transfer documents,

(iv) make any payment required under Section 9.03(d); and

(v) if required, pay any transfer or similar tax.

The date on which the Holder satisfies all of the applicable requirements set forth above is the "**Conversion Date.**"

(c) Each Conversion Notice shall state the name or names (with address or addresses) in which any certificate or certificates for shares of Common Stock which shall be issuable on such conversion shall be issued. All such Securities surrendered for conversion shall, unless the shares issuable on conversion are to be issued in the same name as the registration of such Securities, be duly endorsed by, or be accompanied by instruments of transfer in form satisfactory to the Company duly executed by, the Holder or his duly authorized attorney.

(d) On the third Business Day immediately following the last day of the Observation Period, subject to compliance with any restrictions on transfer if shares issuable on conversion are to be issued in a name other than that of the Holder (as if such transfer were a transfer of the Securities (or portion thereof) so converted), the Company shall issue and shall deliver to such Holder at the office of the Conversion Agent, a check or cash and a certificate or certificates for the number of full shares of Common Stock issuable in accordance with the provisions of this Article 9, if applicable. In case any Securities of a

denomination greater than $1,000 shall be surrendered for partial conversion, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of the Securities so surrendered, without charge to him, new Securities in authorized denominations in an aggregate Principal Amount equal to the unconverted portion of the surrendered Securities.

Each conversion shall be deemed to have been effected as to any such Securities (or portion thereof) on the date on which the requirements set forth above in this Section 9.02 have been satisfied as to such Securities (or portion thereof), and the Person in whose name any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become on said date the Holder of record of the shares represented thereby; *provided*, *however*, that in case of any such surrender on any date when the stock transfer books of the Company shall be closed, the Person or Persons in whose name the certificate or certificates for such shares are to be issued shall be deemed to have become the record Holder thereof for all purposes on the next day on which such stock transfer books are open, but such conversion shall be at the Conversion Price in effect on the date upon which such Securities shall be surrendered.

(e) Upon the conversion of an interest in Global Securities, the Trustee (or other Conversion Agent appointed by the Company) shall make a notation on such Global Securities as to the reduction in the Principal Amount represented thereby. The Company shall notify the Trustee in writing of any conversions of Securities effected through any Conversion Agent other than the Trustee.

(f) Each stock certificate representing Common Stock issued upon conversion of the Securities that are Restricted Securities shall bear the legend in substantially the form of Exhibit C hereto.

Section 9.03. *Payments Upon Conversion.* (a) Upon any conversion of any Security, the Company shall deliver to converting Holders, in respect of each $1,000 Principal Amount of Securities being converted, a "**Settlement Amount**" equal to the sum of the Daily Settlement Amounts for each of the 20 Trading Days during the Observation Period for such Security.

(b) The "**Daily Settlement Amount**" for each of the 20 Trading Days during the Observation Period shall consist of:

(i) cash equal to the lesser of (x) $50 and (y) the Daily Conversion Value, and

(ii) to the extent the Daily Conversion Value exceeds $50, a number of shares of Common Stock ("**Daily Share Amount**") equal to (x) the difference between the Daily Conversion Value and $50, divided by (y) the Daily VWAP;

(c) Upon conversion, Holders shall not receive any separate cash payment for accrued and unpaid Interest, unless such conversion occurs between a Record Date and the Interest Payment Date to which it relates.

(d) If Securities are converted after 5:00 p.m., New York City time, on a Record Date for the payment of interest, Holders of such Securities at 5:00 p.m., New York City time, on such Record Date will receive the Interest payable on such Securities on the corresponding Interest Payment Date notwithstanding the conversion. Securities surrendered for conversion during the period from 5:00 p.m., New York City time, on any Record Date to 9:00 a.m., New York City time, on the immediately following Interest Payment Date, must be accompanied by funds equal to the amount of Interest payable on the Securities so converted; *provided* that no such payment need be made (i) if the Company has specified a Redemption Date in respect of the Securities that is after a Record Date and on or prior to the corresponding Interest Payment Date; (ii) if the Company has specified a Fundamental Change Repurchase Date in respect of the Securities that is after a Record Date and on or prior to the corresponding Interest Payment Date; (iii) in respect of any conversion which occurs after the Record Date for the interest payment due on March 15, 2037 or (iv) to the extent of any Deferred Interest, Compounded Interest or overdue Interest, if any such amounts exist at the time of conversion with respect to such Security.

(e) On any day prior to the first Trading Day of the applicable Observation Period, the Company may specify by notice to the Trustee and the converting Holder or Holders, a percentage of the Daily Share Amount that will be settled in cash (the "**Cash Percentage**"). If the Company elects to specify a Cash Percentage then, in lieu of all or a portion of the Daily Share Amount for each Trading Day in the applicable Observation Period, the Company shall deliver cash equal to the product of (i) the Cash Percentage, (ii) the Daily Share Amount for such Trading Day and (iii) the Daily VWAP for such Trading Day. The number of shares of Common Stock in respect of the Daily Share Amount for each Trading Day in the applicable Observation Period will equal the product of (x) the Daily Share Amount and (y) 100% minus the Cash Percentage. If the Company does not specify a Cash Percentage by the start of the applicable Observation Period, the Company shall settle 100% of the Daily Share Amount for each Trading Day in the applicable Observation Period with shares of Common Stock; *provided, however*, that (i) the Company shall pay cash in lieu of fractional shares otherwise issuable upon conversion of such Security and (ii) if conversion of the Securities is in connection with a transaction described in Section 9.07 pursuant to which the Securities become convertible into cash and Reference Property, the Company shall settle such conversion in cash and Reference Property.

(f) The Company shall not issue fractional shares of Common Stock upon conversion of Securities. If multiple Securities shall be surrendered for conversion at one time by the same Holder, the number of full shares which shall be issuable upon conversion shall be computed on the basis of the aggregate

Principal Amount of the Securities (or specified portions thereof to the extent permitted hereby) so surrendered. If any fractional share of stock would be issuable upon the conversion of any Securities, the Company shall make payment therefor in cash equal to the fraction of a share of Common Stock otherwise issuable multiplied by the Daily VWAP for the final Trading Day of the applicable Observation Period.

Section 9.04. *Adjustment of Conversion Rate.* The Conversion Rate shall be adjusted from time to time by the Company if any of the following events occur, except that the Company will not make any adjustment if Holders of Securities may participate, as a result of holding the Securities, in the transactions described without having to convert their Securities:

(a) If the Company, at any time or from time to time while any of the Securities are outstanding, issues shares of its Common Stock as a dividend or distribution on shares of Common Stock, or if the Company effects a share split or share combination in respect of the Common Stock, then the Conversion Rate shall be adjusted based on the following formula:

where

CR0	=	the Conversion Rate in effect immediately prior to the Ex Date of such dividend or distribution, or effective date of such subdivision or combination, as applicable;
CR'	=	the Conversion Rate in effect immediately after the Ex Date or effective date;
OS0	=	the number of shares of Common Stock outstanding immediately prior the Ex Date or effective date; and
OS'	=	the number of shares of Common Stock outstanding immediately after the Ex Date or effective date.

Such adjustment shall become effective immediately after the opening of business on the Business Day following the record date for such dividend or distribution, or the date fixed for determination for such share split or share combination. The Company will not pay any dividend or make any distribution on shares of Common Stock held in treasury by the Company. If any dividend or distribution of the type described in this Section 9.04(a) is declared but not so paid or made, or the outstanding shares of Common Stock are not subdivided or combined, as the case may be, the Conversion Rate shall again be adjusted to the Conversion Rate which would then be in effect if such dividend, distribution, subdivision or combination had not been declared.

(b) If the Company, at any time or from time to time while any of the Securities are outstanding, issues to all or substantially all holders of its outstanding shares of Common Stock any rights or warrants or securities

convertible into or exchangeable or exercisable for Common Stock entitling them for a period of not more than 60 calendar days to subscribe for, purchase or convert into shares of Common Stock at a price per share or having a conversion, exchange or exercise price per share, in each case, less than the average of the Last Reported Sale Prices of Common Stock for the 10 consecutive Trading Day period ending on the Business Day immediately preceding the date of announcement of such issuance, the Conversion Rate shall be adjusted based on the following formula:

where

CR0	=	the Conversion Rate in effect immediately prior to the Ex Date for such issuance;
CR'	=	the Conversion Rate in effect immediately after the Ex Date for such issuance;
OS0	=	the number of shares of Common Stock outstanding immediately after the Ex Date for such issuance;
X	=	the total number of shares of Common Stock issuable pursuant to such rights, warrants or convertible securities; and
Y	=	the number of shares of Common Stock equal to the aggregate price payable to exercise such rights or warrants or to convert such convertible securities divided by the average of the Last Reported Sale Prices of Common Stock for the 10 consecutive Trading Day period ending on the Business Day immediately preceding the date of announcement of the issuance of such rights, warrants or convertible securities.

Such adjustment shall be successively made whenever any such rights, warrants or convertible securities are issued and shall become effective immediately after 9:00 a.m., New York City time, on the Business Day immediately preceding the date of announcement of such issuance. To the extent that shares of Common Stock are not delivered pursuant to such rights, warrants or convertible securities upon the expiration or termination of such rights, warrants or convertible securities, the Conversion Rate shall be readjusted to the Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights, warrants or convertible securities been made on the basis of the delivery of only the number of shares of Common Stock actually delivered. In the event that such rights, warrants or convertible securities are not so issued, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if the announcement with respect to such rights, warrants or convertible securities had not been made. In determining whether any rights, warrants or convertible

securities entitle the holders to subscribe for, purchase or convert into shares of Common Stock at less than the average of the Last Reported Sale Prices of Common Stock for the 10 consecutive Trading Day period ending on the Business Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, warrants or convertible securities and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined in good faith by the Board of Directors of the Company.

Rights, warrants or convertible securities distributed by the Company to all holders of Common Stock entitling the holders thereof to subscribe for, purchase or convert into shares of the Company's Capital Stock (either initially or under certain circumstances), which rights, warrants or convertible securities, until the occurrence of a specified event or events ("**Trigger Event**"): (x) are deemed to be transferred with such shares of Common Stock; (y) are not exercisable; and (z) are also issued in respect of future issuances of Common Stock, shall be deemed not to have been distributed for purposes of this Section 9.04 (and no adjustment to the Conversion Rate under this Section 9.04 will be required) until the occurrence of the earliest Trigger Event, whereupon such rights, warrants and convertible securities shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 9.04(b). If any such right, warrant or convertible security, including any such existing rights, warrants or convertible securities distributed prior to the date of this Indenture, are subject to events, upon the occurrence of which such rights, warrants or convertible securities become exercisable to purchase different securities, evidences of Indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and record date with respect to new rights, warrants or convertible securities with such rights (and a termination or expiration of the existing rights or warrants without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, warrants or convertible securities, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 9.04 was made, (1) in the case of any such rights, warrants or convertible securities that shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Common Stock with respect to such rights, warrants or convertible securities (assuming such holder had retained such rights, warrants or convertible securities), made to all holders of Common Stock as of the date of such redemption or repurchase, and (2) in the case of such rights, warrants or convertible securities that shall have expired or been terminated without exercise by any holders thereof, the

Conversion Rate shall be readjusted as if such rights, warrants and convertible securities had not been issued.

(c) In case the Company shall, by dividend or otherwise, distribute to all or substantially all holders of its Common Stock shares of any class of Capital Stock of the Company (other than Common Stock as covered by Section 9.04(a)), evidences of its Indebtedness or other assets or property of the Company (including securities, but excluding dividends and distributions and rights, warrants or convertible securities covered by Section 9.04(a), Section 9.04(b), or Section 9.04(e) (for which an adjustment is made to the conversion rate) or Section 9.04(d) (any of such shares of Capital Stock, Indebtedness, or other asset or property hereinafter in this Section 9.04(c) called the "**Distributed Property**"), then, in each such case the Conversion Rate shall be adjusted based on the following formula:

where

CR0	=	the Conversion Rate in effect immediately prior to the Ex Date for such distribution;
CR'	=	the Conversion Rate in effect immediately after the Ex Date for such distribution;
SP0	=	the average of the Last Reported Sale Prices of the Common Stock over the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex Date for such distribution; and
FMV	=	the fair market value (as determined by the Company's Board of Directors) of the shares of Capital Stock of the Company, evidences of Indebtedness, assets or property distributed with respect to each outstanding share of Common Stock on the Ex Date for such distribution.

Such adjustment shall become effective immediately prior to 9:00 a.m., New York City time, on the Business Day following the date fixed for the determination of stockholders entitled to receive such distribution. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such record date had not been fixed. If the Board of Directors of the Company determines the fair market value of any distribution for purposes of this Section 9.04(c) by reference to the actual or when issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the average of the Last Reported Sale Prices of the Common Stock.

With respect to an adjustment pursuant to this Section 9.04(c) where there has been a payment of a dividend or other distribution on the Common Stock or shares of Capital Stock of the Company of any class or series, or similar equity

interest, of or relating to a Subsidiary or other business unit (a "**Spin−Off**"), the Conversion Rate in effect immediately before 5:00 p.m., New York City time, on the effective date of the Spin−Off shall be increased based on the following formula:

where

CR0	=	the Conversion Rate in effect immediately prior to the effective date of the adjustment;
CR'	=	the Conversion Rate in effect immediately after the effective date of the adjustment;
FMV0	=	the average of the Last Reported Sale Prices of the Capital Stock of the Company or similar equity interest distributed to holders of Common Stock applicable to one share of Common Stock over the first 10 consecutive Trading Day period after the effective date of the Spin−Off; and
MP0	=	the average of the Last Reported Sale Prices of Common Stock over the first 10 consecutive Trading Day period after the effective date of the Spin−Off.

Such adjustment shall occur on the 10th Trading Day from, and including, the effective date of the Spin−Off.

For purposes of this Section 9.04(c), Section 9.04(a) and Section 9.04(b), any dividend or distribution to which this Section 9.04(c) is applicable that also includes shares of Common Stock, or rights, warrants or convertible securities to subscribe for, purchase or convert into shares of Common Stock to which Section 9.04(a) or 9.04(b) applies (or both), shall be deemed instead to be (1) a dividend or distribution of the evidences of Indebtedness, assets or shares of Capital Stock other than such shares of Common Stock or rights, warrants or convertible securities to which Section 9.04(a) or 9.04(b) applies (and any Conversion Rate adjustment required by this Section 9.04(c) with respect to such dividend or distribution shall then be made) immediately followed by (2) a dividend or distribution of such shares of Common Stock or such rights, warrants or convertible securities to which Section 9.04(a) or 9.04(b) applies (and any further Conversion Rate adjustment required by Section 9.04(a) and 9.04(b) with respect to such dividend or distribution shall then be made), except (A) the Ex Date of such dividend or distribution shall be substituted for "the Ex Date," "the Ex Date or effective date," "the day following the record date for such dividend or distribution, or the date fixed for determination for such share split or share combination," "the Ex Date for such issuance" and "the date fixed for the determination of stockholders entitled to receive such rights and warrants" within the meaning of Section 9.04(a) and Section 9.04(b) and (B) any shares of Common Stock included in such dividend or distribution shall not be deemed

"outstanding immediately prior to the Ex Date or effective date" within the meaning of Section 9.04(a).

(d) If a cash dividend or distribution is made to all or substantially all holders of Common Stock (other than (i) distributions described in Section 9.04(e), (ii) an Extraordinary Dividend or (iii) regular quarterly cash dividends that do not exceed $0.09 per share (the "**Initial Dividend Threshold**")), the Conversion Rate shall be adjusted based on the following formula:

where

CR0	=	the Conversion Rate in effect immediately prior to the Ex Date for such distribution;
CR'	=	the Conversion Rate in effect immediately after the Ex Date for such distribution;
SP0	=	the Last Reported Sale Prices of the Common Stock on the Trading Day immediately preceding the Ex Date for such distribution; and
C	=	the amount in cash per share the Company distributes to holders of Common Stock in excess of the Initial Dividend Threshold in case of a regular quarterly dividend or, in the case of any other dividend or distribution, the full amount of such dividend or distribution. The Initial Dividend Threshold is subject to adjustment in a manner inversely proportional to adjustments to the Conversion Rate, provided that no adjustment will be made to the Initial Dividend Threshold for any adjustment made to the Conversion Rate under this Section 9.04(d).

Such adjustment shall become effective immediately after 5:00 p.m., New York City time, on the record date for such dividend or distribution. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

For the avoidance of doubt, for purposes of this Section 9.04(d), in the event of any reclassification of the Common Stock, as a result of which the Securities become convertible into more than one class of Common Stock, if an adjustment to the Conversion Rate is required pursuant to this Section 9.04(d), references in this Section to one share of Common Stock or Last Reported Sale Price of one share of Common Stock shall be deemed to refer to a unit or to the price of a unit consisting of the number of shares of each class of Common Stock into which the Securities are then convertible equal to the numbers of shares of such class issued in respect of one share of Common Stock in such

reclassification. The above provisions of this paragraph shall similarly apply to successive reclassifications.

(e) If the Company or any of its Subsidiaries makes a payment in respect of a tender offer or exchange offer for all or any portion of the Common Stock, to the extent that the cash and value of any other consideration included in the payment per share of Common Stock exceeds the Last Reported Sale Price of the Common Stock on the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (as it may be amended), the Conversion Rate shall be increased based on the following formula:

where

CR0	=	the Conversion Rate in effect immediately prior to the effective date of the adjustment;
CR'	=	the Conversion Rate in effect immediately after the effective date of the adjustment;
AC	=	the aggregate value of all cash and any other consideration (as determined by the Company's Board of Directors) paid or payable for shares purchased in such tender or exchange offer;
OS0	=	the number of shares of Common Stock outstanding immediately prior to the date such tender or exchange offer expires (including any shares purchased pursuant to the tender or exchange offer);
OS'	=	the number of shares of Common Stock outstanding immediately after the date such tender or exchange offer expires (not including any shares purchased pursuant to the tender or exchange offer); and
SP'	=	the average of the Last Reported Sale Prices of Common Stock over the 10 consecutive Trading Day period commencing on the Trading Day next succeeding the date such tender or exchange offer expires,

The adjustment to the Conversion Rate under this Section 9.04(e) shall occur on the tenth Trading Day from, and including, the Trading Day next succeeding the date such tender or exchange offer expires.

If the Company is obligated to repurchase shares pursuant to any such tender or exchange offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are

rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such tender or exchange offer had not been made.

(f) For purposes of this Section 9.04 the term "**record date**" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

(g) If application of the formulas provided in Section 9.04(a), 9.04(b), 9.04(c), 9.04(d) or 9.04(e) would result in a decrease in the Conversion Rate, no adjustment to the Conversion Rate shall be made except in the case of a subdivision or split of the Common Stock.

(h) To the extent permitted by applicable law and subject to the applicable rules of the Nasdaq Global Select Market (if the Common Stock is then listed on the Nasdaq Global Select Market), the Company from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least 20 days if the Company's Board of Directors determines that such increase would be in the Company's best interest, which determination shall be conclusive. In addition, the Company may also (but is not required to) increase the Conversion Rate to avoid or diminish any income tax to holders of Common Stock or rights to purchase Common Stock in connection with any dividend or distribution of shares (or rights to acquire shares) or similar event. Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Company shall mail to the Holders of record of the Securities a notice of the increase at least fifteen days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

(i) All calculations and other determinations under this Article 9 shall be made by the Company or its agents and shall be made to the nearest cent or to the nearest one−ten thousandth (1/10,000) of a share, as the case may be. No adjustment shall be made for the Company's issuance of Common Stock or convertible or exchangeable securities or rights to purchase Common Stock or convertible or exchangeable securities, other than as provided in this Section 9.04. No adjustment shall be made to the Conversion Rate unless such adjustment would require a change of at least 1% in the Conversion Rate then in effect at such time. Any adjustment that would otherwise be required to be made shall be carried forward and taken into account in any subsequent adjustment or in connection with any conversion of Securities.

(j) Whenever the Conversion Rate is adjusted as herein provided, the Company shall promptly file with the Trustee and any Conversion Agent an

Officers' Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a Responsible Officer of the Trustee shall have received such Officers' Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume without inquiry that the last Conversion Rate of which a Responsible Officer of the Trustee has actual knowledge is still in effect. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Rate to each Holder at such Holder's last address appearing on the Security Register provided for in Section 3.05 of this Indenture, within 20 days of the effective date of such adjustment. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(k) In any case in which this Section 9.04 provides that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the Holder of any Securities converted after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the Common Stock issuable upon such conversion before giving effect to such adjustment and (ii) paying to such Holder any amount in cash in lieu of any fraction pursuant to Section 9.03.

(l) For purposes of this Section 9.04, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(m) Notwithstanding the foregoing, the Conversion Rate will not be adjusted: (i) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the securities of the Company and the investment of additional optional amounts in shares of Common Stock under any plan; (ii) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any Subsidiary; (iii) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in clause (iii) and outstanding as of the date the Securities were first issued; (iv) for any dividend or distribution in connection with a merger, sale or conveyance effected solely for the purpose of changing the Company's jurisdiction of incorporation as permitted by the terms of the Indenture; (v) for a change in the par value of the Common Stock; or (vi) for accrued and unpaid Interest.

Section 9.05. *Adjustments of Average Prices.* Whenever a provision of the Indenture requires the calculation of an average of Last Reported Sale Prices or Daily VWAP over a span of multiple days, the Company will make appropriate adjustments to account for any adjustment to the Conversion Rate that becomes effective, or any event requiring an adjustment to the Conversion Rate that becomes effective, or any event requiring an adjustment to the Conversion Rate where the Ex Date of the event occurs, at any time during the period from which the average is to be calculated.

Section 9.06. *Adjustments Upon Certain Fundamental Changes.* (a) If a Holder elects to convert Securities in connection with a Make−Whole Fundamental Change, the Conversion Rate for such Securities shall be increased by an additional number of shares of Common Stock (the "**Additional Shares**") as described below. Any conversion occurring at a time when the Securities would be convertible in light of the expected or actual occurrence of a Make−Whole Fundamental Change shall be deemed to have occurred in connection with such Make−Whole Fundamental Change notwithstanding the fact that a Security may then also be convertible because another condition to conversion under Section 9.01 has been satisfied.

(b) The number of Additional Shares will be determined by reference to the table attached as Exhibit B hereto, based on the date on which the Make−Whole Fundamental Change occurs or becomes effective (the "**Effective Date**") and the price (the "**Stock Price**") paid per share of Common Stock in the Fundamental Change. If the Make−Whole Fundamental Change is a transaction described in clause (2) of the definition of Fundamental Change, and holders of Common Stock receive only cash in such Make−Whole Fundamental Change, the Stock Price shall be the cash amount paid per share. Otherwise, the Stock Price shall be the average of the Last Reported Sale Prices of Common Stock over the five Trading Day period ending on the Trading Day preceding the Effective Date of the Make−Whole Fundamental Change.

(c) The Stock Prices set forth in the first row of the table in Exhibit B hereto shall be adjusted as of any date on which the Conversion Rate of the Securities is adjusted. The adjusted Stock Prices shall equal the Stock Prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to such adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of Additional Shares set forth in such table will be adjusted in the same manner as the Conversion Rate as set forth in Section 9.04.

(d) The table in Exhibit B hereto sets forth the hypothetical stock price and the number of additional shares to be received per $1,000 Principal Amount of Securities.

The exact Stock Prices and Effective Dates relating to a Fundamental Change may not be set forth in the table in Exhibit B, in which case:

(i) If the Stock Price is between two Stock Price amounts in the table or the Effective Date is between two Effective Dates in the table, the number of Additional Shares will be determined by a straight−line interpolation between the number of Additional Shares set forth for the higher and lower Stock Price amounts and the two dates, as applicable, based on a 365−day year.

(ii) If the Stock Price is greater than $95.00 per share (subject to adjustment in the same manner as the Conversion Rate as set forth in Section 9.04), no Additional Shares will be issued upon conversion.

(iii) If the Stock Price is less than $25.98 per share (subject to adjustment in the same manner as the Conversion Rate as set forth in Section 9.04), no Additional Shares will be issued upon conversion.

Notwithstanding the foregoing, in no event will the total number of shares of Common Stock issuable upon conversion exceed 38.4911 shares of Common Stock per $1,000 Principal Amount of Securities, subject to adjustments in the same manner as the Conversion Rate as set forth in Section 9.04.

(e) At the Company's option, in lieu of increasing the Conversion Rate as described in this Section 9.06 in the event of a Make−Whole Fundamental Change, the Company may elect to make a cash payment in respect of the Additional Shares. Such cash payment to any Holder electing to convert its Securities would be equal to the number of Additional Shares issuable upon conversion determined by reference to the table in Exhibit B multiplied by the effective share price of the transaction which constitutes a Fundamental Change. Any such election by the Company will be disclosed in the Fundamental Change Company Notice. Once this notice has been provided, the Company may not modify or withdraw its election.

(f) Additional Shares or cash or Reference Property in respect of Additional Shares will be delivered to Holders who elect to convert Securities in connection with a Make−Whole Fundamental Change on the later of (i) five days after the effectiveness of such Make−Whole Fundamental Change and (ii) the settlement date for the Securities set forth in Section 9.02(d).

Section 9.07. *Effect of Reclassification, Consolidation, Merger or Sale*. (a) If any of the following events occur:

(i) any reclassification or change of shares of Common Stock issuable upon conversion of the Securities (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination, or any other change for which an adjustment is provided in Section 9.04);

(ii) any consolidation, merger or combination of the Company with another Person as a result of which holders of Common Stock shall

be entitled to receive cash, securities or other property or assets (including cash or any combination of the foregoing) with respect to or in exchange for such Common Stock; or

(iii) any sale, lease or other transfer of all or substantially all of the properties and assets of the Company and its Subsidiaries to any other Person as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash or any combination of the foregoing) with respect to or in exchange for such Common Stock,

then the Company or the successor or purchasing Person, as the case may be, shall execute with the Trustee a supplemental indenture (which shall comply with the Trust Indenture Act as in force at the date of execution of such supplemental indenture) providing that the Securities shall be convertible into the kind and amount of shares of stock, securities or other property or assets (including cash or any combination of the foregoing) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance (the "**Reference Property**") by a holder of a number of shares of Common Stock issuable upon conversion of such Securities (assuming, for such purposes, a sufficient number of authorized shares of Common Stock available to convert all such Securities) immediately prior to such reclassification, change, consolidation, merger, combination, sale or conveyance. However, at and after the effective time of such transaction, any amount otherwise payable in cash upon conversion of the Securities pursuant to Section 9.03 will continue to be payable in cash and the Daily Conversion Value will be calculated based on the value of the Reference Property. If the transaction causes Common Stock to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), the Reference Property into which the Securities will be convertible shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Stock that affirmatively make such election. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 9. If, in the case of any such reclassification, change, consolidation, merger, combination, sale or conveyance, the Reference Property receivable thereupon by a holder of Common Stock includes shares of stock, securities or other property or assets (including cash or any combination of the foregoing) of a corporation other than the successor or purchasing corporation, as the case may be, in such reclassification, change, consolidation, merger, combination, sale or conveyance, then such supplemental indenture shall also be executed by such other corporation and shall contain such additional provisions to protect the interests of the Holders as the Board of Directors shall reasonably consider necessary by reason of the foregoing.

The Company shall cause notice of the execution of such supplemental indenture to be mailed to each Holder, at the address of such Holder as it appears on the register of the Securities maintained by the Security Registrar, within 20

days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture. The above provisions of this Section shall similarly apply to successive reclassifications, changes, consolidations, mergers, combinations, sales and conveyances.

(b) If a Holder elects to convert Securities in connection with a Make−Whole Fundamental Change pursuant to Section 9.06 that results in delivery of Reference Property to the Holders, any increase in the Conversion Rate by Additional Shares as set forth in Section 9.06 shall not be payable in shares of Common Stock, but shall represent a right to receive the aggregate amount of Reference Property into which the Additional Shares would convert in the transaction from the surviving entity (or an indirect or direct parent thereof).

(c) The Company shall not become a party to any such transaction unless its terms are consistent with this Section 9.07.

Section 9.08. *Taxes On Shares Issued.* Any issue of stock certificates on conversions of Securities shall be made without charge to the converting Holder for any documentary, stamp or similar issue or transfer tax in respect of the issue thereof, and the Company shall pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of Securities pursuant hereto. The Company shall not, however, be required to pay any such tax which may be payable in respect of any transfer involved in the issue and delivery of Common Stock in any name other than that of the Holder, and any tax imposed by any taxing authority outside of the United States as a result of any action by the Holder, and the Company shall not be required to issue or deliver any such stock certificate unless and until the Person or Persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Section 9.09. *Reservation of Shares; Shares to Be Fully Paid; Compliance with Governmental Requirements; Listing of Common Stock.* (a) The Company shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, sufficient shares of Common Stock to provide for the conversion of the Securities from time to time as such Securities are presented for conversion (assuming that, at the time of the computation of such number of shares or securities, all such Securities would be held by a single Holder). Notwithstanding any other provision of this Article 9, in the event of any adjustment or increase to the Conversion Rate that would result in the Securities, in the aggregate, becoming convertible into a number of shares of Common Stock that exceeds the number permitted by applicable rules listing standards of the Nasdaq Global Select Market, if at that time the Common Stock is listed on the Nasdaq Global Select Market, the Company shall, at its option, either (i) obtain the approval of its stockholders regarding the issuance of such Common Stock or (ii) deliver cash in lieu of any shares of Common Stock other deliverable in excess of the number permitted to be delivered under such rules or

listing standards, based on the Last Reported Sale Price of the Common Stock on the Trading Day immediately prior to the date when such Common Stock would otherwise be required to be distributed.

(b) Before taking any action which would cause an adjustment reducing the Conversion Rate below the then par value, if any, of the shares of Common Stock issuable upon conversion of the Securities, the Company will take all corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue shares of such Common Stock at such adjusted Conversion Rate.

The Company covenants that all shares of Common Stock issued upon conversion of Securities will be fully paid and non−assessable by the Company and free from all taxes, liens and changes with respect to the issue thereof.

(c) The Company covenants that, if any shares of Common Stock to be provided for the purpose of conversion of Securities hereunder require registration with or approval of any governmental authority under any federal or state law before such shares may be validly issued upon conversion, the Company will in good faith and as expeditiously as possible, to the extent then permitted by the rules and interpretations of the Commission (or any successor thereto), endeavor to secure such registration or approval, as the case may be.

(d) The Company further covenants that if at any time the Common Stock shall be listed on any other national securities exchange or automated quotation system the Company will, if permitted and required by the rules of such exchange or automated quotation system, list and keep listed, so long as the Common Stock shall be so listed on such exchange or automated quotation system, all Common Stock issuable upon conversion of the Securities.

Section 9.10. *Responsibility of Trustee.* The Trustee and any other Conversion Agent shall not at any time be under any duty or responsibility to any Holder to determine the Conversion Rate or whether any facts exist which may require any adjustment of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and any other Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at any time be issued or delivered upon the conversion of any Securities; and the Trustee and any other Conversion Agent make no representations with respect thereto. Neither the Trustee nor any Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities or property or cash upon the surrender of any Securities for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article 9. Without limiting the generality of the foregoing, neither the Trustee nor any

Conversion Agent shall be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 9.07 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Securityholders upon the conversion of their Securities after any event referred to in such Section 9.07 or to any adjustment to be made with respect thereto, but, subject to the provisions of Section 12.01, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officers' Certificate (which the Company shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto.

Section 9.11. *Notice to Holders Prior to Certain Actions.* In case:

(a) the Company shall declare a dividend (or any other distribution) on its Common Stock that would require an adjustment in the Conversion Rate pursuant to Section 9.04; or

(b) the Company shall authorize the granting to the holders of all or substantially all of its Common Stock of rights or warrants to subscribe for or purchase any share of any class or any other rights or warrants; or

(c) of any reclassification or reorganization of the Common Stock of the Company (other than a subdivision or combination of its outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale, lease or transfer of all or substantially all of the assets of the Company or any of its Significant Subsidiaries; or

(d) of the voluntary or involuntary dissolution, liquidation or winding−up of the Company;

then, in each case, the Company shall cause to be filed with the Trustee and the Conversion Agent and to be mailed to each Securityholder at such Holder's address appearing on the Security Register, provided for in Section 3.05 of this Indenture, as promptly as possible but in any event at least 20 days prior to the applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, lease, transfer, dissolution, liquidation or winding−up is expected to become effective or occur, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding−up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such

dividend, distribution, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding−up.

Section 9.12. *Stockholder Rights Plans.* Each share of Common Stock issued upon conversion of Securities pursuant to this Article 9 shall be entitled to receive the appropriate number of rights, if any, and the certificates representing the Common Stock issued upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any stockholder rights plan adopted by the Company, as the same may be amended from time to time. If at the time of conversion, however, the rights have separated from the shares of Common Stock in accordance with the provisions of the applicable stockholder rights agreement so that the Holders of the Securities would not be entitled to receive any rights in respect of Common Stock issuable upon conversion of the Securities, the Conversion Rate will be adjusted at the time of separation as if the Company has distributed to all holders of Common Stock, shares of Capital Stock of the Company, evidence of Indebtedness or assets as provided in 0, subject to readjustment in the event of the expiration, termination or redemption of such rights.

Section 9.13. *Exchange in Lieu of Conversion.*

(a) If at any time when a Holder surrenders Securities for conversion prior to the Stated Maturity of the Securities the Company:

(i) has designated a financial institution (a "**Designated Institution**") to accept such Securities in exchange for shares of Common Stock and cash, as applicable, equal to the consideration due upon conversion as provided in Section 9.03; and

(ii) notifies the Holder surrendering such Securities for conversion by the close of business on the Trading Day immediately preceding the start of the applicable Observation Period, that it has directed the Designated Institution to make an exchange in lieu of conversion,

then, notwithstanding anything in this Indenture to the contrary, the Company may direct the Conversion Agent to surrender such Securities, on or prior to the commencement of the applicable Observation Period to the Designated Institution for exchange in lieu of conversion.

(b) If the Designated Institution accepts Securities surrendered for exchange, it shall notify the Conversion Agent whether it shall deliver, upon exchange, all cash or a combination of cash and shares of Common Stock and shall deliver cash and, if applicable, the appropriate number of shares of Common Stock, as specified in Section 9.03 to the Conversion Agent and the Conversion Agent shall deliver the cash and shares of Common Stock, as applicable, to the Holder, within the time period specified in Section 9.02(d), which delivery shall

be deemed to satisfy the Company's conversion obligations under this Article 9 with respect to such Holder. Any Securities so exchanged by such Designated Institution shall remain Outstanding for all purposes under this Indenture.

(c) If the Designated Institution agrees to accept any Securities for exchange but does not timely deliver the related consideration to the Conversion Agent, or if the Designated Institution does not accept such Securities for exchange, the Company shall, within the time period specified in Section 9.02(d), convert such Securities into cash and shares of Common Stock, as applicable, in accordance with the provisions of Section 9.02 and Section 9.03.

(d) For the avoidance of doubt, in no event will the Company's designation of a financial institution pursuant to this Section 9.13 require such financial institution to accept any Securities for exchange.

ARTICLE 10
EVENTS OF DEFAULT; REMEDIES

Section 10.01. *Events of Default.* "**Event of Default,**" wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of Interest on any Securities when due and payable and such default continues for a period of 30 days; *provided*, that a extension of the payment period for Interest in accordance with Article 4 shall not constitute an Event of Default under this Section 10.01(a);

(b) default in the payment of the Principal Amount, Redemption Price or Fundamental Change Repurchase Price on any Security when due and payable;

(c) default in the Company's obligation to deliver the cash and Common Stock, if any, payable upon exercise of a Holder's conversion rights in accordance with Article 9 hereof;

(d) failure by the Company to issue a Fundamental Change Company Notice or the notice required by Section 9.01(a)(v)(A) when due;

(e) failure by the Company to comply with its obligations under Article 11 hereof;

(f) default in the performance of any covenant, agreement or condition of the Company in this Indenture or the Securities (other than a default specified in paragraph (a) or (b) above), and such default continues for a period of 60 days after there has been given, by registered or certified mail, to the Company by the

Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate Principal Amount of the Outstanding Securities a written notice specifying such default and requiring it to be remedied and stating that such notice is a "**Notice of Default**" hereunder; *provided, however*, that notwithstanding the foregoing, default in the observance or performance of the covenants contained in Section 6.14 hereof shall not constitute an Event of Default unless such default continues for a period of 180 days after the date on which the Company receives such notice;

(g) default by the Company in the payment of the principal or interest in excess of $50,000,000 by the end of any applicable grace period after maturity of Indebtedness for borrowed money and continuance of such failure on any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced any Indebtedness for borrowed money, whether such Indebtedness now exists or is hereafter created;

(h) the acceleration of Indebtedness of the Company for borrowed money in an amount in excess of $50,000,000 in the aggregate because of a default with respect to such Indebtedness without such Indebtedness having been discharged or such acceleration having been cured, waived, rescinded or annulled for a period of 30 days after written notice to the Company by the Trustee or to the Company and Trustee by the Holders of at least 25% in aggregate Principal Amount of the Outstanding Securities;

(i) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Company or any of its Significant Subsidiaries of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Company or any of its Significant Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or such Significant Subsidiary under any applicable federal or state law or (iii) appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any of its Significant Subsidiary or of any substantial part of its respective property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(j) the commencement by the Company or any of its Significant Subsidiaries of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company or any of its Significant Subsidiaries in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it,

or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any of its Significant Subsidiaries or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company or any of its Significant Subsidiaries in furtherance of any such action.

Section 10.02. *Acceleration of Maturity; Rescission and Annulment*. (a) If an Event of Default (other than those specified in Section 10.01(i) and Section 10.01(j)) occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in aggregate Principal Amount of the Outstanding Securities may declare the Principal Amount plus accrued and unpaid Interest on all the Outstanding Securities to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such Principal Amount plus accrued and unpaid Interest shall become immediately due and payable.

Notwithstanding the foregoing, in the case of an Event of Default specified in Section 10.01(i) or Section 10.01(j), the Principal Amount plus accrued and unpaid Interest on all Outstanding Securities will *ipso facto* become due and payable without any declaration or other act on the part of the Trustee or any Holder.

(b) At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article 10 provided, the Holders of a majority in aggregate Principal Amount of the Outstanding Securities, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(i) such rescission and annulment will not conflict with any judgment or decree of a court of competent jurisdiction; and

(ii) all Events of Default, other than the non−payment of the Principal Amount plus accrued and unpaid Interest on Securities that have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 10.12 and payments owed to the Trustee under Section 12.07 have been made.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 10.03. *Collection of Indebtedness and Suits For Enforcement by Trustee*. The Company covenants that if a Default is made in the payment of the

Principal Amount plus accrued and unpaid Interest at the Maturity thereof or in the payment of the Redemption Price or the Fundamental Change Repurchase Price in respect of any Security, the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If an Event of Default occurs and is continuing, the Trustee may, but shall not be obligated to, pursue any available remedy to collect the payment of the Principal Amount plus accrued but unpaid Interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture. The Trustee may maintain a proceeding even if the Trustee does not possess any of the Securities or does not produce any of the Securities in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of, or acquiescence in, the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

Section 10.04. *Trustee May File Proofs of Claim*. In case of any judicial proceeding relative to the Company (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee under Section 12.07.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 10.05. *Application of Money Collected*. Any money collected by the Trustee pursuant to this Article 10 shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money to Holders, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 12.07;

SECOND: To the payment of the amounts then due and unpaid on the Securities for the Principal Amount, Redemption Price, Fundamental Change Repurchase Price or Interest, as the case may be, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities; and

THIRD: To the payment of the remainder, if any, to the Company;

Section 10.06. *Limitation On Suits*. (a) No Holder of any Security shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder (other than in the case of an Event of Default specified in Section 10.01(a) or Section 10.01(b)), unless:

(i) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(ii) the Holders of not less than 25% in aggregate Principal Amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(iii) such Holder or Holders have offered to the Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(iv) the Trustee for 60 days after its receipt of such notice, request and offer of security or indemnity has failed to institute any such proceeding; and

(v) no direction, in the opinion of the Trustee, inconsistent with such written request has been given to the Trustee during such 60−day period by the Holders of a majority in aggregate Principal Amount of the Outstanding Securities;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing itself of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders.

Section 10.07. *Unconditional Right of Holders to Receive Payment*. Notwithstanding any other provision of this Indenture, the right of any Holder to

receive payment of the Principal Amount, Redemption Price, Fundamental Change Repurchase Price or Interest in respect of the Securities held by such Holder, on or after the respective due dates expressed in the Securities or any Redemption Date or Fundamental Change Purchase Date, as applicable, and to convert the Securities in accordance with Article 9, or to bring suit for the enforcement of any such payment on or after such respective dates or the right to convert, shall not be impaired or affected adversely without the consent of such Holder.

Section 10.08. *Restoration of Rights and Remedies*. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 10.09. *Rights and Remedies Cumulative*. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 3.06, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 10.10. *Delay or Omission Not Waiver*. No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article 10 or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 10.11. *Control by Holders*. The Holders of a majority in Principal Amount of the Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, *provided* that:

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and

(iii) the Trustee has not determined that such action would either subject it to liability or be unduly prejudicial to the rights of the other Holders.

Section 10.12. *Waiver of Past Defaults*. The Holders of not less than a majority in Principal Amount of the Outstanding Securities may on behalf of the Holders of all the Securities waive any past Default hereunder and its consequences, except a Default:

(i) Described in Section 10.01(a) or (b); or

(ii) in respect of a covenant or provision hereof which under Article 15 cannot be modified or amended without the consent of the Holder of each Outstanding Security affected.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 10.13. *Undertaking for Costs*. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, in either case in respect of the Securities, a court may require any party litigant in such suit to file an undertaking to pay the costs of the suit, and the court may assess reasonable costs, including reasonable attorney's fees and expenses, against any party litigant in the suit having due regard to the merits and good faith of the claims or defenses made by the party litigant; but the provisions of this Section 10.13 shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in Principal Amount of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of the payment of the Principal Amount on any Security on or after Maturity of such Security, the Redemption Price or the Fundamental Change Repurchase Price.

Section 10.14. *Waiver of Stay or Extension Laws*. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the

Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 11
CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

Section 11.01. *Company May Consolidate, Etc., Only On Certain Terms*. The Company shall not consolidate with or merge into another Person or convey, transfer or lease all or substantially all of its properties and assets to another Person, and the Company shall not permit another Person to consolidate with or merge into the Company or convey, transfer or lease all or substantially all of its properties and assets to the Company, unless:

(a) either (i) the Company is the resulting, surviving or transferee Person or (ii) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety (the "**Surviving Entity**"), (1) is organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia, (2) the Surviving Entity expressly assumes, by an indenture supplemental hereto, executed and delivered to the Trustee, all of the obligations of the Company under the Securities, this Indenture and, to the extent that the Company has ongoing obligations pursuant to the Registration Rights Agreement, the Registration Rights Agreement;

(b) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(c) the Company or the Surviving Entity has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article 11 and Article 15, respectively.

Section 11.02. *Successor Substituted*. Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of all or substantially all of the properties and assets of the Company in accordance with Section 11.01, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease of all or substantially all of the Company's properties and assets, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities.

ARTICLE 12
THE TRUSTEE

Section 12.01. *Duties and Responsibilities of Trustee*. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(a) Prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and the Trust Indenture Act, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture and the Trust Indenture Act against the Trustee; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein);

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (a) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Holders of not less than a majority in principal

amount of the Securities at the time outstanding determined as provided in Section 1.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(c) Whether or not therein provided, every provision of this Indenture relating to the conduct or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Section;

(d) The Trustee shall not be liable in respect of any payment (as to the correctness of amount, entitlement to receive or any other matters relating to payment) or notice effected by the Company or any Paying Agent or any records maintained by any co−registrar with respect to the Securities; and

(e) If any party fails to deliver a notice relating to an event the fact of which, pursuant to this Indenture, requires notice to be sent to the Trustee, the Trustee may conclusively rely on its failure to receive such notice as reason to act as if no such event occurred.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 12.02. *Notice of Defaults*. The Trustee shall give the Holders notice of any Default hereunder within 60 days after the occurrence thereof; *provided*, that (except in the case of any Default in the payment of Principal Amount or Interest on any of the Securities or Fundamental Change Repurchase Price), the Trustee shall be protected in withholding such notice if and so long as a committee of officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders.

Section 12.03. *Reliance On Documents, Opinions, Etc*. Except as otherwise provided in Section 12.01:

(a) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, coupon or other paper or document (whether in its original or facsimile form) believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel of its own selection and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney (at the reasonable expense of the Company and shall incur no liability of any kind by reason of such inquiry or investigation);

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder;

(g) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(h) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(i) the Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Securities and the Indenture; and

(j) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(k) The Trustee agrees to accept and act upon facsimile transmission of written instructions or directions pursuant to this Indenture, it being understood that originals of such shall be provided to the Trustee in a timely manner.

Section 12.04. *No Responsibility For Recitals, Etc*. The recitals contained herein and in the Securities (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of any Securities or the proceeds of any Securities authenticated and delivered by the Trustee in conformity with the provisions of this Indenture.

Section 12.05. *Trustee, Paying Agents, Conversion Agents or Registrar May Own Securities*. The Trustee, any Paying Agent, any Conversion Agent or Security Registrar, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not Trustee, Paying Agent, Conversion Agent or Security Registrar.

Section 12.06. *Monies to Be Held in Trust*. Subject to the provisions of Section 14.02, all monies and properties received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as may be agreed in writing from time to time by the Company and the Trustee.

Section 12.07. *Compensation and Expenses of Trustee*. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it hereunder in any capacity (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) as mutually agreed to from time to time in writing between the Company and the Trustee, and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, willful misconduct or bad faith. The Company also covenants to indemnify the Trustee (or any officer, director or employee of the Trustee), in any capacity under this Indenture and its agents and any authenticating agent for, and to hold them harmless against, any and all loss, liability, claim or expense incurred without negligence, willful misconduct or bad faith on the part of the Trustee or such officers, directors, employees and agent or authenticating agent, as the case may be, and arising out of or in connection with the acceptance or administration of this trust or in any other capacity hereunder,

including the costs and expenses of defending themselves against any claim of liability in the premises. The obligations of the Company under this Section 12.07 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Securities. The obligation of the Company under this Section shall survive the satisfaction and discharge of this Indenture.

When the Trustee and its agents and any authenticating agent incur expenses or render services after an Event of Default specified in Section 10.01(i)**or Section 10.01(j) with respect to the Company occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any bankruptcy, insolvency or similar laws.

Section 12.08. *Conflicting Interests of Trustee*. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture.

Section 12.09. *Eligibility of Trustee*. There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least $50,000,000 (or if such Person is a member of a bank holding company system, its bank holding company shall have a combined capital and surplus of at least $50,000,000). If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section 12.09 the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 12.09, it shall resign promptly in the manner and with the effect hereinafter specified in this Article 12.

Section 12.10. *Resignation or Removal of Trustee*. (a) The Trustee may at any time resign by giving written notice of such resignation to the Company and to the Holders. Upon receiving such notice of resignation, the Company shall promptly appoint a successor Trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and have accepted appointment 60 days after the mailing of such notice of resignation to the Securityholders, the resigning Trustee may, upon 10 Business Days' notice to the Company and the Securityholders, appoint a successor identified in such notice or may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee, or, if any Securityholder who has been a bona

fide Holder for at least six (6) months may, subject to the provisions of Section 10.13, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall fail to comply with Section 12.08 after written request therefor by the Company or by any Securityholder who has been a bona fide holder of a Security or Securities for at least six (6) months; or

(ii) the Trustee shall cease to be eligible in accordance with the provisions of Section 12.09 and shall fail to resign after written request therefor by the Company or by any such Securityholder; or

(iii) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; then, in any such case, the Company may remove the Trustee and appoint a successor Trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee, or, subject to the provisions of Section 10.13, any Securityholder who has been a bona fide Holder for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee; *provided, however*, that if no successor Trustee shall have been appointed and have accepted appointment 60 days after either the Company or the Securityholders has removed the Trustee, the Trustee so removed may petition any court of competent jurisdiction for an appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor Trustee.

(c) The Holders of a majority in aggregate principal amount of the Securities at the time outstanding may at any time remove the Trustee and nominate a successor Trustee which shall be deemed appointed as successor Trustee unless, within 10 days after notice to the Company of such nomination, the Company objects thereto, in which case the Trustee so removed or any Securityholder, or if such Trustee so removed or any Securityholder fails to act, the Company, upon the terms and conditions and otherwise as in Section 12.10(a) provided, may petition any court of competent jurisdiction for an appointment of a successor Trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 12.10 shall become effective upon acceptance of appointment by the successor Trustee as provided in Section 12.11.

Section 12.11. *Acceptance by Successor Trustee*. Any successor Trustee appointed as provided in Section 12.10 shall execute, acknowledge and deliver to the Company and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor Trustee, the trustee ceasing to act shall, upon payment of any amount then due it pursuant to the provisions of Section 12.07, execute and deliver an instrument transferring to such successor Trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor Trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property and funds held or collected by such trustee as such, except for funds held in trust for the benefit of holders of particular Securities, to secure any amounts then due it pursuant to the provisions of Section 12.07.

No successor Trustee shall accept appointment as provided in this Section 12.11 unless, at the time of such acceptance, such successor Trustee shall be qualified under the provisions of Section 12.08 and be eligible under the provisions of Section 12.09.

Upon acceptance of appointment by a successor Trustee as provided in this Section 12.11, the Company (or the former trustee, at the written direction of the Company) shall mail or cause to be mailed notice of the succession of such trustee hereunder to the Holders at their addresses as they shall appear on the Security Register. If the Company fails to mail such notice within 10 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Company.

Section 12.12. *Succession by Merger, Etc*.. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee (including any trust created by this Indenture), shall be the successor to the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, *provided* that in the case of any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, such corporation

shall be qualified under the provisions of Section 12.08 and eligible under the provisions of Section 12.09.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee or authenticating agent appointed by such predecessor Trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee or any authenticating agent appointed by such successor Trustee may authenticate such Securities in the name of the successor Trustee; and in all such cases such certificates shall have the full force that is provided in the Securities or in this Indenture; *provided*, *however* that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 12.13. *Preferential Collection of Claims.* If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of the claims against the Company (or any such other obligor).

ARTICLE 13
HOLDERS' LISTS AND REPORTS BY TRUSTEE

Section 13.01. *Company to Furnish Trustee Names and Addresses of Holders*. The Company will furnish or cause to be furnished to the Trustee:

(a) semi−annually, not more than 15 days after each Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Record Date; and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar; *provided*, *however*, that no such list need be furnished so long as the Trustee is acting as Security Registrar.

Section 13.02. *Preservation of Information; Communications to Holders*. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 13.01 and the names and addresses of Holders

received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 13.01 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and duties of the Trustee, shall be as provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

Section 13.03. *Reports by Trustee*. (a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than September 15 in each calendar year, commencing in September 15, 2007. Each such report shall be dated as of a date not more than 60 days prior to the date of transmission.

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange, if any, upon which the Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when the Securities are listed on any stock exchange or of any delisting thereof.

ARTICLE 14
SATISFACTION AND DISCHARGE

Section 14.01. *Satisfaction and Discharge of Indenture*. This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(i) all Securities theretofore authenticated and delivered (other than (A) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.06 and (B) Securities for whose payment money has theretofore been deposited with the Trustee in trust or segregated and held in trust by the Company and thereafter

repaid to the Company or discharged from such trust as provided in Section 6.04) have been delivered to the Trustee for cancellation; or

(ii) all such Securities not theretofore delivered to the Trustee for cancellation have become due and payable and the Company has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire Indebtedness evidenced by such Securities not theretofore delivered to the Trustee for cancellation;

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 12.07 and, if money shall have been deposited with the Trustee pursuant to Section 14.01(a)(ii), the obligations of the Trustee under Section 14.02 and the last paragraph of Section 6.04 shall survive.

Section 14.02. *Application of Trust Money*. Subject to the provisions of the last paragraph of Section 6.04, all money deposited with the Trustee pursuant to Section 14.01 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) to the Persons entitled thereto, of the principal and Interest for whose payment such money has been deposited with the Trustee.

ARTICLE 15
SUPPLEMENTAL INDENTURES

Section 15.01. *Supplemental Indentures Without Consent of Holders*. Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(i) to cure any ambiguity or correct any omission , defect or inconsistency contained herein, so long as such action does not adversely affect the interest of the Holders; *provided* that any such action made solely to conform the provisions of this Indenture to the description

thereof contained in the final offering memorandum dated February 27, 2007, shall be deemed not to adversely affect the interests of the Holders;

(ii) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities;

(iii) to provide for uncertificated Securities in addition to or in place of certificated Securities; *provided* that the Company receives an opinion of nationally recognized tax counsel that such uncertificated Securities are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Securities are described in Section 163(f)(2)(B) of the Code;

(iv) to add guarantees with respect to the Securities;

(v) to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Securities any property or assets;

(vi) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company;

(vii) to add or modify any other provision herein with respect to matters or questions arising hereunder which the Company and the Trustee may deem necessary or desirable and which does not materially and adversely affect the rights of any Holder; or

(viii) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualifications of this Indenture under the Trust Indenture Act, or under any similar federal statute hereafter enacted.

Section 15.02. *Supplemental Indentures With Consent of Holders*. With the consent of the Holders of not less than a majority in Principal Amount of the Outstanding Securities, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders under this Indenture; *provided, however*, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(i) reduce the rate or extend the time of payment of any Interest on any Security;

(ii) reduce the Principal Amount of, or extend the Stated Maturity of, any Security;

(iii) make any change that impairs or adversely affects right of a Holder to convert any Securities or the Conversion Rate of any Securities;

(iv) reduce the Redemption Price or Fundamental Change Repurchase Price of any Security or amend or modify in any manner adverse to the Holders of Securities the Company's obligation to make such payments;

(v) make any Security payable in money other than that stated in the Security or other than in accordance with the provisions of this Indenture;

(vi) modify the provisions of Article 5 relating to the subordination of the Securities in a manner adverse to the Holders of Securities;

(vii) impair the right of any Holder to institute suit for the enforcement of any payment on or with respect to such Holder's Securities;

(viii) modify any of the provisions of this Section 15.02, Section 15.03 or Section 10.12, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby.

It shall not be necessary for any Act of Holders under this Section 15.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Section 15.03. *Execution of Supplemental Indentures*. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article 15 or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 12.01) shall be fully protected in relying upon, in addition to the documents required by Section 1.02, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. Subject to the preceding sentence, the Trustee shall sign such supplemental indenture if the same does not adversely affect the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 15.04. *Effect of Supplemental Indentures*. Upon the execution of any supplemental indenture under this Article 15, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 15.05. *Conformity With Trust Indenture Act*. Every supplemental indenture executed pursuant to this Article 15 shall conform to the requirements of the Trust Indenture Act.

Section 15.06. *Reference in Securities to Supplemental Indentures*. Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article 15 shall bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities.

Section 15.07. *Notice to Holders of Supplemental Indentures*. The Company shall cause notice of the execution of any supplemental indenture to be mailed to each Securityholder, at his address appearing on the Security Register provided for in this Indenture, within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

XILINX, INC.

By: /s/ Jon A. Olson
Name: Jon A. Olson
Title: SR. VP−CFO

[Trustee Signature Follows]

THE BANK OF NEW YORK TRUST COMPANY, N.A.

By: /s/ Melonee Young
Name: Melonee Young
Title: Vice President

EXHIBIT A

Form of Fundamental Change Repurchase Notice

_____, ____

The Bank of New York Trust Company, N.A.
700 South Flower Street, Suite 500
Los Angeles, California 90017

Attention: Agency & Trust

Re: Xilinx, Inc. (the "**Company**")
3.125% Junior Subordinated Convertible Debentures due 2037

This is a Fundamental Change Repurchase Notice as defined in Section 8.01 (a) of the Indenture dated as of March 5, 2007 (the "Indenture") between the Company and The Bank of New York Trust Company, N.A., as Trustee. Terms used but not defined herein shall have the meanings ascribed to them in the Indenture.
Certificate No(s). of Securities: _____

I intend to deliver the following aggregate Principal Amount of Securities for purchase by the Company pursuant to Section 8.01 of the Indenture (in multiples of $1,000):

$_____

I hereby agree that the Securities will be purchased as of the Fundamental Change Repurchase Date pursuant to the terms and conditions thereof and of the Indenture.

Signed: _____

Additional Shares to Be Delivered in Connection with Conversion Upon a Make−Whole Fundamental Change

Make−Whole Table forOfferingMemorandum

Stock Price	$25.98	$30.00	$35.00	$40.00	$40.53	$45.00	$50.00	$55.00	$60.00	$65.00	$70.00	$75.00	$80.00	$85.00	$90.00	$95.00
Effective Date																
March 5, 2007	6.4151	5.5370	4.1467	3.1991	3.1280	2.5282	2.0362	1.6653	1.3793	1.1543	0.9739	0.8276	0.7069	0.6064	0.5217	0.4498
March 15, 2008	6.4151	5.3954	4.0064	3.0670	2.9977	2.4127	1.9354	1.5815	1.3128	1.1019	0.9366	0.8022	0.6936	0.6029	0.5276	0.4643
March 15, 2009	6.4151	5.1925	3.7962	2.8599	2.7917	2.2162	1.7571	1.4207	1.1683	0.9748	0.8239	0.7037	0.6068	0.5274	0.4616	0.4064
March 15, 2010	6.4151	4.9603	3.5396	2.6081	2.5412	1.9769	1.5363	1.2213	0.9904	0.8178	0.6856	0.5828	0.5010	0.4351	0.3810	0.3360
March 15, 2011	6.4151	4.6974	3.2398	2.3017	2.2361	1.6827	1.2653	0.9777	0.7753	0.6296	0.5223	0.4414	0.3790	0.3298	0.2902	0.2575
March 15, 2012	6.4151	4.3814	2.8524	1.8950	1.8311	1.2930	0.9127	0.6702	0.5134	0.4097	0.3391	0.2894	0.2531	0.2255	0.2037	0.1859
March 15, 2013	6.4151	4.0974	2.4103	1.3741	1.3105	0.7740	0.4480	0.2803	0.1972	0.1560	0.1345	0.1220	0.1137	0.1075	0.1024	0.0981
March 15, 2014	6.4151	4.0864	2.2227	0.9483	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
March 15, 2017	6.4151	4.3484	2.3894	0.9813	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
March 15, 2022	6.4151	4.4075	2.2632	0.7344	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
March 15, 2027	6.4151	4.6923	2.4481	0.9005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
March 15, 2032	6.4151	4.8219	2.3773	0.7345	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
March 15, 2037	6.4151	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

THE SALE OF THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER AGREES (1) THAT IT WILL NOT WITHIN THE LATER OF (X) TWO YEARS AFTER THE LATEST ISSUE DATE OF THE SECURITIES UPON THE CONVERSION OF WHICH THIS SECURITY WAS ISSUED AND (Y) THREE MONTHS AFTER IT CEASES TO BE AN AFFILIATE (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE ISSUER, OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY, EXCEPT (A) TO THE ISSUER; (B) UNDER A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT; (C) TO A PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, ALL IN COMPLIANCE WITH RULE 144A (IF AVAILABLE); OR (D) UNDER ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; AND (2) AGREES THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN THE LATER OF (X) TWO YEARS AFTER THE LATEST ISSUE DATE OF THE SECURITIES UPON THE CONVERSION OF WHICH THIS SECURITY WAS ISSUED AND (Y) THREE MONTHS AFTER IT CEASES TO BE AN AFFILIATE (WITHIN THE MEANING OF RULE 144 ADOPTED UNDER THE SECURITIES ACT) OF THE ISSUER, FURNISH TO THE TRANSFER AGENT AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

EXHIBIT 4.2

$900,000,000

Xilinx, Inc.

3.125% Junior Subordinated Convertible Debentures Due 2037

Registration Rights Agreement

March 5, 2007

J.P. Morgan Securities Inc.
277 Park Avenue
9th Floor
New York, New York 10172

Ladies and Gentlemen:

Xilinx, Inc., a Delaware corporation (the "**Company**"), proposes to issue and sell to J.P. Morgan Securities Inc. (the "**Initial Purchaser**") $900,000,000 aggregate principal amount of its 3.125% Junior Subordinated Convertible Debentures due 2037 (the "**Firm Debentures**") and, at the election of the Initial Purchaser, solely to cover overallotments, an additional $100,000,000 aggregate principal amount of the Company's 3.125% Junior Subordinated Convertible Debentures due 2037 (the "**Additional Debentures**" and, together with the Firm Debentures, the "**Debentures**"), in each case upon the terms and subject to the conditions set forth in the Purchase Agreement dated February 27, 2007 between the Company and the Initial Purchaser (the **"Purchase Agreement"**).

As an inducement to the Initial Purchaser to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Initial Purchaser thereunder, the Company agrees with the Initial Purchaser, for the benefit of the Holders (as defined below) of the Debentures and the Shares (as defined below), as follows:

1. *Certain Definitions.*

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase Agreement. For purposes of this Registration Rights Agreement, the following terms shall have the following meanings:

(a) "**Additional Debentures**" has the meaning specified in the first paragraph of this Agreement.

(b) "**Additional Interest**" has the meaning assigned thereto in Section 2(d).

(c) "**Additional Interest Payment Date**" has the meaning assigned thereto in Section 2(d).

(d) "**Affiliate**" has the meaning set forth in Rule 405 under the Securities Act, except as otherwise expressly provided herein.

(e) "**Agreement**" means this Registration Rights Agreement, as the same may be amended from time to time pursuant to the terms hereof.

(f) "**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

(g) "**Closing Date**" means the date on which any Debentures are initially issued.

(h) "**Commission**" means the Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

(i) "**Company**" has the meaning specified in the first paragraph of this Agreement.

(j) **"Debentures"** has the meaning specified in the first paragraph of this Agreement.

(k) "**Deferral Notice**" has the meaning assigned thereto in Section 3(b).

(l) "**Deferral Period**" has the meaning assigned thereto in Section 3(b).

(m) "**Effective Period**" has the meaning assigned thereto in Section 2(a).

(n) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(o) "**Holder**" means each holder, from time to time, of Registrable Securities (including the Initial Purchaser).

(p) "**Indenture**" means the Indenture dated as of March 5, 2007 among the Company and The Bank of New York Trust Company, N.A., as Trustee, pursuant to which the Debentures are being issued.

(q) "**Initial Purchaser**" has the meaning specified in the first paragraph of this Agreement.

(r) "**Material Event**" has the meaning assigned thereto in Section 3(a)(iii).

(s) "**Majority Holders**" shall mean, on any date, Holders of the majority of the Shares constituting Registrable Securities hereunder; for the purposes of this definition, Holders of Debentures constituting Registrable Securities shall be deemed to be the Holders of the number of Shares into which such Debentures are or would be convertible as of such date.

(t) "**NASD**" shall mean the National Association of Securities Dealers, Inc.

(u) "**Notice and Questionnaire**" means a written notice delivered to the Company containing substantially the information called for by the Form of Selling Securityholder Notice and Questionnaire attached as Annex A to the Offering Memorandum.

(v) "**Notice Holder**" means, on any date, any Holder that has delivered a Notice and Questionnaire to the Company on or prior to such date.

(w) "**Offering Memorandum**" means the Offering Memorandum dated February 27, 2007 relating to the offer and sale of the Securities.

(x) "**Person**" means a corporation, limited liability company, association, partnership, organization, business, individual, government or political subdivision thereof or governmental agency.

(y) "**Prospectus**" means the prospectus included in any Shelf Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Securities Act), as amended or supplemented by any amendment or prospectus supplement, including post−effective amendments, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such Prospectus.

(z) "**Purchase Agreement**" has the meaning specified in the first paragraph of this Agreement.

(aa) "**Registrable Securities**" means the Securities; *provided, however*, that such Securities shall cease to be Registrable Securities when (i) such Securities shall cease to be outstanding (including, in the case of the Debentures, upon conversion into Shares); (ii) in the circumstances contemplated by Section 2(a), a registration statement registering such Securities under the Securities Act has been declared or becomes effective and such Securities have been sold or otherwise transferred or disposed of by the Holder thereof pursuant to such effective registration statement; (iii) such Securities are sold pursuant to Rule 144 under circumstances in which any legend borne by such Securities relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed; (iv) such Securities are eligible to be sold pursuant to Rule 144(k) or any successor provision (but not Rule 144A); or (v) are not "restricted securities" as

such term is defined under Rule 144 and may be freely sold or transferred by the holder thereof without restriction.

(bb) "**Registration Default**" has the meaning assigned thereto in Section 2(d).

(cc) "**Registration Expenses**" has the meaning assigned thereto in Section 5.

(dd) "**Rule 144**," "**Rule 405**" and "**Rule 415**" mean, in each case, such rule as promulgated under the Securities Act.

(ee) "**Securities**" means, collectively, the Debentures and the Shares.

(ff) "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(gg) "**Shares**" means the shares of common stock of the Company, par value $0.001 per share, into which the Debentures are convertible or that have been issued upon any conversion from Debentures into common stock of the Company.

(hh) "**Shelf Registration Statement**" means the shelf registration statement referred to in Section 2(a), as amended or supplemented by any amendment or supplement, including post−effective amendments and any additional information contained in a form of prospectus or prospectus supplement that is deemed retroactively to be a part of the shelf registration statement pursuant to Rules 430A, 430B or 430C, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such Shelf Registration Statement.

(ii) "**Special Counsel**" shall have the meaning assigned thereto in Section 5.

(jj) "**Trust Indenture Act**" means the Trust Indenture Act of 1939, as amended, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

(kk) "**Trustee**" shall have the meaning assigned such term in the Indenture.

Unless the context otherwise requires, any reference herein to a "Section" or "clause" refers to a Section or clause, as the case may be, of this Agreement, and the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision. Unless the context otherwise requires, any reference to a statute, rule or regulation refers to the same (including any successor statute, rule or regulation thereto) as it may be amended from time to time.

2. *Registration Under the Securities Act.*

(a) The Company agrees to file under the Securities Act as promptly as practicable, but in any event within 180 days after the Closing Date, a Shelf Registration Statement providing for the registration of, and the sale on a continuous or delayed basis

by the Holders of, all of the Registrable Securities, pursuant to Rule 415 or any similar rule that may be adopted by the Commission; *provided,* that such registration statement shall be an "automatic shelf registration statement," as such term is defined in Rule 405 under the Securities Act, if the Company is then eligible to use automatic shelf registration statements. If the Shelf Registration Statement is not an automatic shelf registration statement, the Company agrees to use its reasonable efforts to cause the Shelf Registration Statement to become or be declared effective as promptly as practicable, but in any event no later than 180 days after the Closing Date. The Company agrees to use its reasonable efforts, subject to Section 3(b), to keep such Shelf Registration Statement continuously effective until the earlier of (i) the second anniversary of the Closing Date and (ii) such time as each of the Registrable Securities covered by the Shelf Registration Statement ceases to be a Registrable Security (as defined herein) (the "**Effective Period**").

(b) The Company further agrees that it shall cause the Shelf Registration Statement, the related Prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, as of the time of sale of any Securities under such Shelf Registration Statement, and as of the date of any such amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading, and the Company agrees to furnish to the Holders of the Registrable Securities seeking to sell Securities pursuant to such amendment or supplement, and to any other Holder such number of copies as such Holders may reasonably request of any supplement or amendment prior to its being used or promptly following its filing with the Commission; *provided, however,* that the Company shall have no obligation to deliver to Holders of Registrable Securities copies of any amendment consisting exclusively of an Exchange Act report or other Exchange Act filing otherwise publicly available on the Company's website. If the Shelf Registration Statement, as amended or supplemented from time to time, ceases to be effective for any reason at any time during the Effective Period (other than because all Registrable Securities registered thereunder shall have been sold pursuant thereto or shall have otherwise ceased to be Registrable Securities), the Company shall use its reasonable efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof.

(c) Each Holder of Registrable Securities agrees that if such Holder wishes to sell Registrable Securities pursuant to the Shelf Registration Statement and related Prospectus, it will do so only in accordance with this Section 2(c) and Section 3(b). From and after the date the Shelf Registration Statement is initially effective, the Company shall, as promptly as is practicable after the date a proper Notice and Questionnaire is delivered, and in any event within (x) fifteen (15) Business Days after the date such Notice and Questionnaire is received by the Company or (y) if a Notice and Questionnaire is so received during a Deferral Period, fifteen (15) Business Days after the expiration of such Deferral Period,

(i) if required by applicable law, file with the Commission a post−effective amendment to the Shelf Registration Statement or prepare and, if required by applicable law, file a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that the Holder delivering such Notice and Questionnaire is named as a selling security holder in the Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of the Registrable Securities in accordance with applicable law and, if the Company shall file a post−effective amendment to the Shelf Registration Statement and such amendment is not automatically effective, use its reasonable efforts to cause such post−effective amendment to be declared or to otherwise become effective under the Securities Act as promptly as is practicable;

(ii) provide such Holder with as many copies of any documents filed pursuant to Section 2(c)(i) as such Holder may reasonably request in connection with the Securities covered by such Holder's Notice and Questionnaire; and

(iii) notify such Holder as promptly as practicable after the effectiveness under the Securities Act of any post−effective amendment filed pursuant to Section 2(c)(i);

provided that in no event shall the Company be required to make more than one such filing during any twenty (20) Business Day period and, in addition, the Company shall not be required to make more than one such filing in any calendar quarter in the form of a post−effective amendment to the Shelf Registration Statement; *provided, further,* that if such Notice and Questionnaire is delivered during a Deferral Period, the Company shall so inform the Holder delivering such Notice and Questionnaire and shall take the actions set forth in clauses (i), (ii) and (iii) above upon expiration of the Deferral Period in accordance with Section 3(b). Notwithstanding anything contained herein to the contrary, the Company shall be under no obligation to name any Holder that is not a Notice Holder as a selling securityholder in any Shelf Registration Statement or related Prospectus; *provided, however,* that any Holder that becomes a Notice Holder pursuant to the provisions of this Section 2(c) (whether or not such Holder was a Notice Holder at the time the Shelf Registration Statement was declared or otherwise became effective) shall be named as a selling securityholder in the Shelf Registration Statement or related Prospectus in accordance with the requirements of this Section 2(c).

(d) If any of the following events (any such event a "**Registration Default**") shall occur, then additional interest (the "**Additional Interest**") shall become payable by the Company to Holders in respect of the Debentures as follows:

(i) if the Shelf Registration Statement is not filed with the Commission within 180 days following the Closing Date, then commencing on the 181st day after the Closing Date, Additional Interest shall accrue on the principal amount of the outstanding Debentures that are Registrable Securities at a

rate of 0.25% per annum for the first 90 days following such 180th day and at a rate of 0.5% per annum thereafter; or

(ii) if the Shelf Registration Statement has not become or is not declared effective by the Commission within 180 days following the Closing Date, then commencing on the 181st day after the Closing Date, Additional Interest shall accrue on the principal amount of the outstanding Debentures that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such 180th day and at a rate of 0.5% per annum thereafter; or

(iii) if the Company has failed to perform its obligations set forth in Section 2(c) hereof within the time periods required therein, then, commencing on the first day after the date by which the Company was required to perform such obligations, Additional Interest shall accrue on the principal amount of the outstanding Debentures that are Registrable Securities at a rate of 0.25% per annum for the first 90 days and at a rate of 0.5% per annum thereafter, *provided*, that notwithstanding the foregoing, Additional Interest shall not accrue if the Company's failure to perform its obligations set forth in Section 2(c) hereof within the time periods required therein results from the inadvertent failure by the Company to include any Notice Holder in the Shelf Registration Statement and related Prospectus.

(iv) if the Shelf Registration Statement has become or been declared effective but such Shelf Registration Statement ceases to be effective at any time during the Effective Period (other than pursuant to Section 3(b) hereof), then, commencing on the day such Shelf Registration Statement ceases to be effective, Additional Interest shall accrue on the principal amount of the outstanding Debentures that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such date on which the Shelf Registration Statement ceases to be effective and at a rate of 0.5% per annum thereafter; or

(v) if the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period pursuant to Section 3(b) hereof, then, commencing on the day the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period (and again on the first day of any subsequent Deferral Period during such period), Additional Interest shall accrue on the principal amount of the outstanding Debentures that are Registrable Securities at a rate of 0.25% per annum for the first 90 days and at a rate of 0.5% per annum thereafter;

provided, however, that the Additional Interest rate on the Debentures shall not exceed in the aggregate 0.5% per annum and shall not be payable under more than one clause above for any given period of time, except that if Additional Interest would be payable under more than one clause above, but at a rate of 0.25% per annum under one clause and at a rate of 0.5% per annum under the other, then the Additional Interest rate shall be the higher rate of 0.5% per annum; *provided further*, however, that (1) upon the filing of the

Shelf Registration Statement (in the case of clause (i) above), (2) upon the effectiveness of the Shelf Registration Statement (in the case of clause (ii) above), (3) upon the performance by the Company of its obligations set forth in Section 2(c) hereof within the time periods required therein (in the case of clause (iii) above), (4) upon the effectiveness of the Shelf Registration Statement which had ceased to remain effective (in the case of clause (iv) above), (5) upon the termination of the Deferral Period that caused the limit on the aggregate duration of Deferral Periods in a period set forth in Section 3(b) to be exceeded (in the case of clause (v) above) or (6) when the Debentures are not longer Registrable Securities (in the case of each of clauses (i) through (v) above), Additional Interest on the Debentures as a result of such clause, as the case may be, shall cease to accrue.

Additional Interest on the Debentures, if any, will be payable in cash on March 15 and September 15 of each year (the "**Additional Interest Payment Date**") to holders of record of outstanding Debentures that are Registrable Securities at the close of business on March 1 or September 1 (whether or not a Business Day), as the case may be, immediately preceding the relevant interest payment date; *provided* that any Additional Interest accrued with respect to any Debentures or portion thereof submitted for repurchase on a repurchase date or converted into Shares on a conversion date prior to the Registration Default shall, in any such event, be paid instead to the Holder who submitted such Debentures or portion thereof for repurchase or conversion on the applicable repurchase date or conversion date, as the case may be, on such date (or promptly following the conversion date, in the case of conversion). Following the cure of all Registration Defaults requiring the payment of Additional Interest to the Holders of Debentures that are Registrable Securities pursuant to this Section, the accrual of Additional Interest will cease (without in any way limiting the effect of any subsequent Registration Default requiring the payment of Additional Interest) and the interest rate borne by the Debentures will revert to the original interest rate at such time.

The Company shall notify the Trustee immediately upon the happening of each and every Registration Default. The Trustee shall be entitled, on behalf of Holders of Securities, to seek any available remedy for the enforcement of this Agreement, including for the payment of any Additional Interest. Notwithstanding the foregoing, the parties agree that the sole monetary damages payable for a violation of the terms of this Agreement with respect to which additional monetary amounts are expressly provided shall be as set forth in this Section 2(d). Nothing shall preclude a Notice Holder or Holder of Registrable Securities from pursuing or obtaining specific performance or other equitable relief with respect to this Agreement.

3. *Registration Procedures*.

The following provisions shall apply to the Shelf Registration Statement filed pursuant to Section 2:

(a) The Company shall:

(i) before filing any Shelf Registration Statement or Prospectus or any amendments or supplements thereto with the Commission, furnish to the Initial Purchaser copies of all such documents proposed to be filed and use its reasonable efforts to reflect in each such document when so filed with the Commission such comments as the Initial Purchaser reasonably shall propose within three (3) Business Days of the delivery of such copies to the Initial Purchaser;

(ii) prepare and file with the Commission such amendments and post−effective amendments to the Shelf Registration Statement and file with the Commission any other required document as may be necessary to keep such Shelf Registration Statement continuously effective until the expiration of the Effective Period; cause the related Prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act; and comply with the provisions of the Securities Act applicable to it with respect to the disposition of all Securities covered by such Shelf Registration Statement during the Effective Period in accordance with the intended methods of disposition by the sellers thereof set forth in such Shelf Registration Statement as so amended or such Prospectus as so supplemented;

(iii) as promptly as reasonably practicable, notify the Notice Holders of Registrable Securities (A) when such Shelf Registration Statement or the Prospectus included therein or any amendment or supplement to the Prospectus or post−effective amendment has been filed with the Commission, and, with respect to such Shelf Registration Statement or any post−effective amendment, when the same is declared or has become effective, (B) of any request, following the effectiveness of the Shelf Registration Statement, by the Commission or any other Federal or state governmental authority for amendments or supplements to the Shelf Registration Statement or related Prospectus or for additional information, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Shelf Registration Statement or the initiation or written threat of any proceedings for that purpose, (D) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or written threat of any proceeding for such purpose, (E) of the occurrence of (but not the nature of or details concerning) any event or the existence of any fact (a "**Material Event**") as a result of which any Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (*provided, however*, that no notice by the Company shall be required pursuant to this clause (E) in the event that the Company either promptly files a prospectus supplement to update the Prospectus or a Form 8−K or other appropriate Exchange Act report that is incorporated by reference into the Shelf Registration Statement, which, in either case, contains the requisite information with respect to such Material Event that results in such Shelf

Registration Statement or Prospectus, as the case may be, no longer containing any untrue statement of material fact or omitting to state a material fact necessary to make the statements contained therein, in the case of the Prospectus, in light of the circumstances under which they were made, not misleading), (F) of the determination by the Company that a post−effective amendment to the Shelf Registration Statement (other than for the purpose of naming a Notice Holder as a selling security holder therein) will be filed with the Commission, which notice may, at the discretion of the Company (or as required pursuant to Section 3(b)), state that it constitutes a Deferral Notice, in which event the provisions of Section 3(b) shall apply or (G) at any time when a Prospectus is required (or but for the exemption contained in Rule 172 would be required) to be delivered under the Securities Act, that the Shelf Registration Statement, Prospectus, Prospectus amendment, supplement or post−effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder;

(iv) prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use its reasonable efforts to register or qualify, or cooperate with the Notice Holders of Securities included therein and their respective counsel in connection with the registration or qualification of such Securities for offer and sale under the securities or blue sky laws of such jurisdictions as any such Notice Holders reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by the Shelf Registration Statement; prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use its reasonable efforts to keep each such registration or qualification (or exemption therefrom) effective during the Effective Period in connection with such Notice Holder’s offer and sale of Registrable Securities pursuant to such registration or qualification (or exemption therefrom) and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of such Registrable Securities in the manner set forth in the Shelf Registration Statement and the related Prospectus; *provided* that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process or to taxation in any such jurisdiction where it is not then so subject;

(v) use its reasonable efforts to prevent the issuance of, and if issued, to obtain the withdrawal of any order suspending the effectiveness of the Shelf Registration Statement or any post−effective amendment thereto, and to lift any suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction in which they have been qualified for sale, in each case at the earliest practicable date;

(vi) upon reasonable notice, for a reasonable period prior to the filing of the Shelf Registration Statement, and throughout the Effective Period, (i) make reasonably available for inspection by a representative of, and Special Counsel acting for, Majority Holders of the Securities being sold and any underwriter (and its counsel) participating in any disposition of Securities pursuant to such Shelf Registration Statement (collectively, the "**Shelf Inspectors**"), all relevant financial and other records and pertinent corporate documents of the Company and its subsidiaries and (ii) use its reasonable efforts to have its officers, directors, employees, accountants and counsel supply all relevant information reasonably requested by such representative, Special Counsel or any such underwriter in connection with such Shelf Registration Statement, in each case as is reasonable and customary for similar "due diligence" examinations; *provided*, *however*, that such persons shall first agree with the Company that any information that is reasonably designated by the Company as confidential at the time of delivery shall be kept confidential by such persons and shall be used solely for the purposes of exercising rights under this Agreement and satisfying "due diligence" obligations under the Securities Act and such person shall not engage in trading any securities of the Company until such material non−public information becomes properly publicly available, unless (w) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (x) disclosure of such information is required by law, including any disclosure requirements pursuant to federal securities laws in connection with the filing of any Shelf Registration Statement or the use of any Prospectus referred to in this Agreement upon a customary opinion of counsel for such persons delivered and reasonably satisfactory to the Company, (y) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by any such person, or (z) such information becomes available to any such person or a source other than the Company and such source is not bound by a confidentiality agreement; *provided further*, that with respect to any Special Counsel engaged by the Majority Holders, the foregoing inspection and information gathering shall be coordinated by one counsel designated by the Majority Holders;

(vii) if requested by Majority Holders of the Securities being sold in an underwriting, its Special Counsel or the managing underwriters (if any) in connection with such Shelf Registration Statement, use its reasonable efforts to cause (i) its counsel to deliver an opinion relating to the Shelf Registration Statement and the Securities in a customary form, (ii) its officers to execute and deliver all customary documents and certificates requested by the Majority Holders of the Securities being sold, their Special Counsel or the managing underwriters (if any) and (iii) its registered independent public accounting firm to provide a comfort letter or letters relating to the Shelf Registration Statement in a reasonable and customary form, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No.

72 or any successor statement thereto, covering matters of the type customarily covered in comfort letters in connection with secondary underwritten offerings;

(viii) if reasonably requested by the Initial Purchaser or any Notice Holder as a result of the "due diligence" examinations referred to in Section 3(a)(vi) above, promptly incorporate in a prospectus supplement or post−effective amendment to the Shelf Registration Statement such information as the Initial Purchaser or such Notice Holder shall, on the basis of a written opinion of Special Counsel, determine to be required to be included therein by applicable law and make any required filings of such prospectus supplement or such post−effective amendment; *provided*, that the Company shall not be required to take any actions under this Section 3(a)(viii) that are not, in the reasonable opinion of counsel for the Company, in compliance with applicable law;

(ix) as promptly as reasonably practicable furnish to each Notice Holder and the Initial Purchaser, upon their request and without charge, at least one (1) conformed copy of the Shelf Registration Statement and any amendments thereto, including financial statements but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference and all exhibits; *provided, however*, that the Company shall have no obligation to deliver to Notice Holders or the Initial Purchaser a copy of any amendment consisting exclusively of an Exchange Act report or other Exchange Act filing otherwise publicly available on the Company’s website or in the Commission’s EDGAR database;

(x) during the Effective Period, deliver to each Notice Holder in connection with any sale of Registrable Securities pursuant to the Shelf Registration Statement, upon their request and without charge, as many copies of the Prospectus relating to such Registrable Securities (including each preliminary prospectus) and any amendment or supplement thereto as such Notice Holder may reasonably request; and the Company hereby consents (except during such periods that a Deferral Notice is outstanding and has not been revoked) to the use of such Prospectus or each amendment or supplement thereto by each Notice Holder in connection with any offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto in the manner set forth therein and subject to applicable law;

(xi) cooperate with the Notice Holders to facilitate the timely preparation and delivery of certificates representing Securities to be sold pursuant to the Shelf Registration Statement free of any restrictive legends, unless required by applicable law, and in such denominations as permitted by the Indenture and registered in such names as the Holders thereof may request in writing at least two (2) Business Days prior to sales of Securities pursuant to such Shelf Registration Statement; and

(xii) not use, authorize the use of, refer to, or participate in the planning for use of, any “free writing prospectus”, as defined in Rule 405 under the

Securities Act, in connection with the offering or sale of the Securities, without the consent of Holders of Registrable Securities who are seeking to sell Securities pursuant to the Shelf Registration Statement or relevant supplement or amendment thereto, which consent shall not be unreasonably withheld. Nothing in this section shall prevent the Company from using a "free writing prospectus" relating to shares of its common stock that are not included in the Securities.

(b) Upon (A) the issuance by the Commission of a stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of proceedings with respect to the Shelf Registration Statement under Section 8(d) or 8(e) of the Securities Act, (B) the occurrence of any event or the existence of any Material Event as a result of which the Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (C) the occurrence or existence of any corporate development that, in the discretion of the Company, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related Prospectus, the Company will (i) in the case of clause (B) above, subject to the second sentence of this provision, as promptly as practicable prepare and file an amendment to such Shelf Registration Statement or a supplement to the related Prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into such Shelf Registration Statement and Prospectus so that such Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered or made available to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post−effective amendment to the Shelf Registration Statement, subject to the second sentence of this provision, use its reasonable efforts to cause it to be declared effective or otherwise become effective as promptly as practicable and (ii) give notice to the Notice Holders that the availability of the Shelf Registration Statement is suspended (a "**Deferral Notice**"). The Company will use its reasonable efforts to ensure that the use of the Prospectus may be resumed (x) in the case of clause (A) above, as promptly as practicable, (y) in the case of clause (B) above, as soon as, in the sole judgment of the Company, public disclosure of such Material Event would not be prejudicial to or contrary to the interests of the Company or, if necessary to avoid unreasonable burden or expense, as soon as practicable thereafter and (z) in the case of clause (C) above, as soon as, in the discretion of the Company, such suspension is no longer appropriate; *provided* that the period during which the availability of the Shelf Registration Statement and any Prospectus is suspended (the "**Deferral Period**"), without the Company incurring any obligation to pay Additional

Interest pursuant to Section 2(d), shall not exceed one hundred and twenty (120) days in the aggregate in any consecutive twelve (12) month period.

(c) Each Holder of Registrable Securities agrees that upon receipt of any Deferral Notice from the Company, such Holder shall forthwith discontinue (and cause any placement or sales agent or underwriters acting on their behalf to discontinue) the disposition of Registrable Securities pursuant to the Shelf Registration Statement until such Holder (i) shall have received copies of such amended or supplemented Prospectus (including copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus) and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the Prospectus covering such Registrable Securities at the time of receipt of such notice or (ii) shall have received notice from the Company that the disposition of Registrable Securities pursuant to the Shelf Registration may continue. Each Holder shall keep confidential any communication received by it from the Company regarding the suspension of the use of the Prospectus, except as required by applicable law.

(d) The Company may require each Holder of Registrable Securities as to which any registration pursuant to Section 2(a) is being effected to furnish to the Company such information regarding such Holder and such Holder's intended method of distribution of such Registrable Securities as the Company may from time to time reasonably request in writing, but only to the extent that such information is required in order to comply with the Securities Act.

(e) The Company shall comply with all applicable rules and regulations of the Commission and make generally available to its securityholders earning statements (which need not be audited) satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12−month period (or 90 days after the end of any 12−month period if such period is a fiscal year) commencing on the first day of the first fiscal quarter of the Company commencing after the effective date of the Shelf Registration Statement, which statements shall cover said 12−month periods.

(f) The Company shall provide a CUSIP number for all Registrable Securities covered by the Shelf Registration Statement not later than the initial effective date of such Shelf Registration Statement and provide the Trustee and the transfer agent for the Shares with printed certificates for the Registrable Securities that are in a form eligible for deposit with The Depository Trust Company.

(g) The Company shall use its reasonable efforts to provide such information as is required for any filings required to be made with the National Association of Securities Dealers, Inc.

(h) Until the expiration of the Effective Period, the Company will not, and will not permit any of its "affiliates" (as defined in Rule 144) to, resell any of the

Securities that have been reacquired by any of them except pursuant to an effective registration statement under the Securities Act.

(i) The Company shall cause the Indenture to be qualified under the Trust Indenture Act in a timely manner and shall enter into any necessary supplemental indentures in connection therewith.

(j) The Company shall enter into such customary agreements and take such other reasonable and lawful actions in connection therewith (including those requested by the Majority Holders of the Registrable Securities being sold) in order to expedite or facilitate disposition of such Registrable Securities.

4. *Holders' Obligations.*

(a) Each Holder agrees, by acquisition of the Registrable Securities, that no Holder of Registrable Securities shall be entitled to sell any of such Registrable Securities pursuant to the Shelf Registration Statement or to receive a Prospectus relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 2(c) hereof (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence. Each Notice Holder agrees to notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Notice Holder to the Company or of the occurrence of any event in either case as a result of which any Prospectus relating to such registration contains or would contain an untrue statement of a material fact regarding such Notice Holder or such Notice Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Notice Holder or such Notice Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading, and promptly to furnish to the Company (i) any additional information required to correct and update any previously furnished information or required so that such Prospectus shall not contain, with respect to such Notice Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) any other information regarding such Notice Holder and the distribution of such Registrable Securities as may be required to be disclosed in the Shelf Registration Statement under applicable law or pursuant to Commission comments. Each Holder further agrees not to sell any Registrable Securities pursuant to the Shelf Registration Statement without delivering, causing to be delivered, or, if permitted by applicable law, making available, a Prospectus to the purchaser thereof and, following termination of the Effective Period, to notify the Company, within ten (10) Business Days of a request by the Company, of the amount of Registrable Securities sold pursuant to the Shelf Registration Statement and, in the absence of a response, the Company may assume that all of the Holder's Registrable Securities were so sold in compliance with applicable law and this Agreement.

(b) Any sale of any Registrable Securities by any Holder shall constitute a representation and warranty by such Holder that the information relating to such Holder and its plan of distribution is as set forth in the Prospectus delivered by such Holder in connection with such disposition, that such Prospectus does not as of the time of such sale contain any untrue statement of a material fact relating to or provided by such Holder or its plan of distribution and that such Prospectus does not as of the time of such sale omit to state any material fact relating to or provided by such Holder or its plan of distribution necessary to make the statements in such Prospectus, in the light of the circumstances under which they were made, not misleading. Each Holder further agrees that such Holder will not make any offer relating to the Registrable Securities that would constitute an "issuer free writing prospectus" (as defined in Rule 433 under the Securities Act) or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405 under the Securities Act) required to be filed by the Company with the Commission or retained by the Company under Rule 433 of the Securities Act, unless it has obtained the prior written consent of the Company.

5. *Registration Expenses*.

The Company agrees to bear and to pay or cause to be paid promptly after request being made therefore all fees and expenses incident to the Company's performance of or compliance with this Agreement, including, but not limited to, (a) all Commission and any NASD registration and filing fees and expenses, (b) all fees and expenses in connection with the qualification of the Securities for offering and sale under the State securities and blue sky laws referred to in Section 3(a)(iv) hereof, including reasonable fees and disbursements of one counsel for the placement agent or underwriters, if any, in connection with such qualifications, (c) all expenses relating to the preparation, printing, distribution and reproduction of the Shelf Registration Statement, the related Prospectus, each amendment or supplement to each of the foregoing, the certificates representing the Securities and all other documents relating hereto, (d) fees and expenses of the Trustee under the Indenture, any escrow agent or custodian, and of the registrar and transfer agent for the Shares, (e) fees, disbursements and expenses of counsel and the registered independent public accounting firm of the Company (including the expenses of any opinions or "comfort" letters required by or incident to such performance and compliance) and (f) reasonable fees, disbursements and expenses of one counsel for all Holders of Registrable Securities retained in connection with the Shelf Registration Statement, as selected by the Company (unless reasonably objected to by the Majority Holders of the Registrable Securities being registered, in which case the Majority Holders shall select such counsel for the Holders, subject to the approval of the Company, which shall not be unreasonably withheld) ("**Special Counsel**"), and fees, expenses and disbursements of any other Persons, including special experts, retained by the Company in connection with such registration (collectively, the "**Registration Expenses**"). To the extent that any Registration Expenses are incurred, assumed or paid by any Holder of Registrable Securities or any underwriter or placement agent therefor, the Company shall reimburse such Person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a documented request therefor. Notwithstanding the foregoing, the Holders of the Registrable Securities being registered shall pay all underwriting discounts and commissions and placement agent fees and commissions attributable to the sale of such Registrable Securities and the fees and disbursements of any counsel or other advisors or

experts retained by such Holders (severally or jointly), other than the counsel and experts specifically referred to above.

6. *Indemnification.*

(a) The Company shall indemnify and hold harmless each Notice Holder (including, without limitation, any Initial Purchaser, in its capacity as such) its Affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls such Notice Holder within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6 and Section 7 as an "**Indemnified Holder**") from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, without limitation, any loss, claim, damage, liability or action relating to purchases and sales of Securities), to which that Indemnified Holder may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Shelf Registration Statement or any Prospectus forming part thereof, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and shall reimburse each Indemnified Holder promptly upon demand for any legal or other expenses reasonably incurred by that Indemnified Holder in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; *provided, however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with any information provided by such Indemnified Holder in writing to the Company expressly for use therein. This indemnity agreement shall be in addition to any liability that the Company may otherwise have.

(b) Each Notice Holder shall indemnify and hold harmless the Company, its Affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6(b) and Section 7 as the Company) and the other selling Notice Holders, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or such Notice Holder may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Shelf Registration Statement or any Prospectus forming part thereof, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each

case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any information furnished to the Company in writing by such Notice Holder expressly for use therein, and shall reimburse the Company and each such other selling Notice Holder for any legal or other expenses reasonably incurred by the Company or such Notice Holder in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; *provided, however,* that no such Notice Holder shall be liable for any indemnity claims hereunder in excess of the amount of net proceeds received by such Notice Holder from the sale of Securities pursuant to such Shelf Registration Statement. This indemnity agreement will be in addition to any liability which any such Notice Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to Section 6(a) or 6(b), notify the indemnifying party in writing of the claim or the commencement of that action; *provided, however,* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have under this Section 6 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided, further,* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under this Section 6. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 6 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than the

reasonable costs of investigation; *provided, however,* that an indemnified party shall have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel for the indemnified party will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based upon advice of counsel to the indemnified party) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based upon advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm of attorneys (in addition to any local counsel) at any one time for all such indemnified party or parties. Each indemnified party, as a condition of the indemnity agreements contained in Sections 6(a) and 6(b), shall use its reasonable efforts to cooperate with the indemnifying party in the defense of any such action or claim. No indemnifying party shall be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses or counsel as contemplated by this section, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of a request in writing setting forth proposed settlement terms from the indemnified party and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with the aforesaid request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (ii) does not include a statement or admission of fault, culpability or a failure to act, by or on behalf of the indemnified party.

(d) The provisions of this Section 6 and Section 7 shall remain in full force and effect, regardless of any investigation made by or on behalf of any Notice Holder, the Company, or any of the indemnified Persons referred to in this Section 6 and Section 7, and shall survive the sale by a Notice Holder of Securities covered by the Shelf Registration Statement.

7. *Contribution.*

If the indemnification provided for in Section 6 is unavailable or insufficient to hold harmless an indemnified party under Section 6(a) or 6(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company from the offering and sale of the Debentures, on the one hand, and a Holder with respect to the sale by such Holder of Securities, on the other, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect

not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and such Holder on the other with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and a Holder on the other with respect to such offering and such sale shall be deemed to be in the same proportion as the total net proceeds from the offering of the Debentures (before deducting expenses) received by or on behalf of the Company, on the one hand, and the total net proceeds (before deducting expenses) received by such Holder upon a resale of the Securities, on the other, bear to the total gross proceeds from the sale of all Securities pursuant to the Shelf Registration Statement in the offering of the Securities from which the contribution claim arises. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to the Company or information supplied by the Company on the one hand or to any information contained in the relevant Notice and Questionnaire supplied by such Holder on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Notice Holders' respective obligations to contribute pursuant to this Section 7 are several in proportion to the respective number of Registrable Securities they have sold pursuant to the Shelf Registration Statement and not joint. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7 were to be determined by *pro rata* allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7 shall be deemed to include, for purposes of this Section 7, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 7, an indemnifying party that is a Holder of Securities shall not be liable for any indemnity claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Securities pursuant to such Shelf Registration Statement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. *Information Requirements.*

The Company covenants that, if at any time before the end of the Effective Period the Company is not subject to the reporting requirements of the Exchange Act, it will cooperate with any Holder and take such further action as any Holder may reasonably request in writing (including, without limitation, making such representations as any such Holder may reasonably request), all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 and Rule 144A under the Securities Act and customarily taken in connection with sales pursuant to such exemptions. Upon the written request of any Holder, the Company shall deliver to such Holder a written statement as to whether it has complied with such filing requirements, unless such a statement has been included in the Company's most recent report filed pursuant to Section 13 or Section 15(d) of Exchange Act. Notwithstanding the

foregoing, nothing in this Section 8 shall be deemed to require the Company to register any of its securities under any section of the Exchange Act.

9. *Miscellaneous.*

(a) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of the Majority Holders. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Securities are being sold pursuant to the Shelf Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by Holders of a majority in aggregate amount of the Securities being sold by such Holders pursuant to the Shelf Registration Statement. Notwithstanding the foregoing sentence, this Agreement may be amended by written agreement signed by the Company and the Initial Purchaser, without the consent of the Holders of Registrable Securities, to cure any ambiguity or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision contained herein, or to make such other provisions in regard to matters or questions arising under this Agreement that shall not adversely affect the interests of the Holders of Registrable Securities. Each Holder of Registrable Securities outstanding at the time of any such amendment, modification, supplement, waiver or consent or thereafter shall be bound by any such amendment, modification, supplement, waiver or consent effected pursuant to this Section 8(a), whether or not any notice, writing or marking indicating such amendment, modification, supplement, waiver or consent appears on the Registrable Securities or is delivered to such Holder.

(b) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand−delivery, first−class mail, telecopier or air courier guaranteeing next−day delivery:

(1) If to the Company, initially at the address set forth in the Purchase Agreement, with a copy to Gibson Dunn & Crutcher LLP, One Montgomery Street, 31st floor, San Francisco, CA 94104, Attention: Stewart McDowell;

(2) If to the Initial Purchaser, initially at the address set forth in the Purchase Agreement; and

(3) If to a Holder, to the address of such Holder set forth in the security register, the Notice and Questionnaire or other records of the Company.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; one (1) Business Day after being delivered to a next−day air courier; five (5) Business Days after being deposited in the mail, if being delivered by first−class mail; and when receipt is acknowledged by the recipient's telecopier machine, if sent by telecopier.

(c) Successors and Assigns. This Agreement shall be binding upon the Company and each of its successors and assigns. Any person who purchases any Registrable Securities from the Initial Purchaser shall be deemed, for purposes of this Agreement, to be an assignee of the Initial Purchaser. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties and shall inure to the benefit of and be binding upon each Holder of any Registrable Securities, *provided that* nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Indenture. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities, such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such person shall be entitled to receive the benefits hereof.

(d) Counterparts. This Agreement may be executed in any number of counterparts (which may be delivered in original form or by telecopier) and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(f) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(g) Remedies. In the event of a breach by the Company or by any Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law, including recovery of damages (other than the recovery of damages for a breach by the Company of its obligations under Section 3 hereof for which Additional Interest has been paid pursuant to Section 2 hereof), will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(h) No Inconsistent Agreements. The Company represents, warrants and agrees that (i) it has not entered into and shall not on or after the date of this Agreement enter into any agreement that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof, (ii) it has not previously entered into any agreement which remains in effect granting any registration rights with respect to any of its debt securities to any person and (iii) without limiting the generality of the foregoing, without the written consent of the Majority Holders, it shall not grant to any Person the right to request the Company to register any securities of the Company under the Securities Act unless the rights so granted are not in conflict or inconsistent with the provisions of this Agreement.

(i) No Underwritten Offerings. Notwithstanding anything herein to the contrary, no underwritten offering shall be effected pursuant to this Agreement without the prior written consent of the Company, which may be withheld in the Company's sole discretion. Any underwritten offering agreed to by the Company in its sole discretion shall be on terms and conditions agreed to by the Company in connection with such offering.

(j) Severability. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by the law and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any term, provision, covenant or restriction that may be hereafter declared invalid, illegal, void or unenforceable.

(k) Survival. The respective indemnities, agreements, representations, warranties and each other provision set forth in this Agreement or made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any Holder of Registrable Securities, any director, officer or partner of such Holder, any agent or underwriter or any director, officer or partner thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such Holder.

(l) Securities Held by the Company, etc. Whenever the consent or approval of Holders of a specified percentage of Securities is required hereunder, Securities held by the Company or its Affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be Affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(m) Termination. This Agreement and the obligations of the parties hereunder shall terminate upon the end of the Effective Period, except for any liabilities or obligations under Sections 4, 5, 6 and 7 hereof and the obligations to make payments of and provide for Additional Interest under Section 2(d) hereof to the extent such damages accrue prior to the end of the Effective Period, each of which shall remain in effect in accordance with its terms.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement between the Company and the Initial Purchaser in accordance with its terms.

Very truly yours,

THE COMPANY

XILINX, INC.

By: /s/ Jon A. Olson
Name: Jon A. Olson
Title: Sr. VP and CFO

Accepted: March 5, 2007

By: J.P. MORGAN SECURITIES INC.

By: /s/ Jeffrey Zajkowski
Name: Jeffrey Zajkowski
Title: Managing Director

**(Letter Agreement between Xilinx, Inc.
and Kris Chellam)**

February 26, 2007

Kris Chellam

Dear Kris,

I am writing to document our discussions regarding your transition from Xilinx ("Xilinx" or "the Company").

This letter sets forth the negotiated offer of special severance and other benefits in exchange for the consideration described below. The terms of our offer, which will constitute an agreement upon your acceptance (the "Agreement"), are as follows:

1. Contingent on the execution of this Agreement, and your not revoking this Agreement, your employment will end on February 28, 2007 ("Separation Date")

2. On the Separation Date, you will receive the following even if you do not execute this Agreement:

   Final Pay Check: You will be paid for all your earned and unpaid salary, together with any accrued and unused vacation pay through the Separation Date, less applicable deductions and applicable withholdings. You will also be reimbursed for any amount you have contributed to your Employee Stock Purchase Plan.

   Health Benefits: Your medical, dental, vision and/or Employee Assistance Program (EAP) coverage will continue through the Separation Date.

   Retirement Benefits: As an elected officer of at least 55 years of age and 5 years of service as an elected vice president, you are eligible to receive the retirement benefits described in our Proxy. There are two components: a) accelerated vesting by one year of options that are unvested as of the Separation Date; b) medical and dental coverage for you and your spouse until you reach the age of 65 or you become eligible for another plan, whichever is earlier. You will remain responsible for your portion of the insurance premiums for this extended coverage. Failure to pay will result in a loss of coverage.

   Stock Options: As described above, you will receive accelerated vesting of one year as of the Separation Date. All unvested options beyond one year will expire as of the Separation Date. Unless you accept this Agreement, which has an extended exercise period as one of the contingent severance benefits, you will have thirty (30) or ninety (90) days after your Separation Date in which to exercise vested options, depending

upon the plan under which your options were granted. Please contact Stock Administration at Xilinx to determine how many vested options you will hold as of the Separation Date (including the acceleration) and confirm the exercise period(s) for such options. You are responsible for determining how many days you have after the Separation Date to exercise your outstanding stock options. If you fail to exercise within that time period, the options will expire and no longer be exercisable.

You agree that if you choose not to execute this Agreement, the only benefits and monetary amounts you are entitled to upon separation of your employment are set forth above.

3. **Separation Payment:**Contingent upon your executing and not revoking this Agreement and your executing and not revoking at the termination of your employment from Xilinx the Supplemental Release attached as Exhibit A, Xilinx will pay to you the sum of $48,100 less applicable deductions and withholdings after the six month anniversary of your Separation Date.

4. **Consulting Period**: Contingent upon your executing and not revoking this Agreement and your executing and not revoking at the termination of your employment from Xilinx the Supplemental Release attached as Exhibit A, Xilinx will retain you as a consultant from March 1, 2007 through December 31, 2007, ("Consulting Period"). The scope of Services you will provide during the Consulting Period are described on Exhibit B, which may be amended from time to time by mutual agreement. During the Consulting Period, you will be paid at the rate of $250 per hour. During the Consulting Period, you will invoice Xilinx on a monthly basis. All payments made to you during the Consulting Period will be reported to the taxing authorities on a Form 1099, and you will be responsible for paying all taxes due on these payments. Xilinx will reimburse you for all reasonable and necessary expenses, provided such expenses are approved in writing in advance. As set forth above, all employee benefits will cease as of your Separation Date and you therefore will not be entitled to any Xilinx employee benefits during the Consulting Period. Vesting on previously granted Xilinx employee stock options will have ceased as of February 28, 2007 – upon your termination as an employee – and all unvested options as of that time will expire. However, you will have until December 31, 2007 to exercise previously granted and vested employee stock options as set forth above.

5. **Return of Property:**On your Separation Date, you agree to return all property owned by Xilinx, including all credit cards furnished to you and all originals and copies of the following, whether in your possession or previously removed by you from the company's premises and still existing, and whether recorded on paper, computer disk, other computer−readable form, or any other medium: all company equipment, correspondence, books, letters, records, financial data, personnel information, database information and other materials and writings owned by the company or used by it in connection with the conduct of its business, excluding only company property needed to perform above consulting duties for the company, which you will return at the end of the Consulting Period.

6. **No claims:**You represent that you have reported to Xilinx all work−related injuries, if any, that you have suffered or sustained during your employment with the company.You have also submitted all expenses.

7. **Release:** As consideration for Xilinx's obligations under this Agreement (other than the obligations to which you are legally entitled), you hereby release Xilinx and its predecessor, subsidiary, affiliated and successor corporations and business entities, past, present and future, and its and their partners, directors, officers, shareholders, employees, and agents, past, present and future, and their assigns from any and all claims, demands, liabilities, actions, causes of action, suits, debts, charges, complaints, obligations, promises, agreements, controversies, damages and expenses arising out of facts which occurred prior to the execution of this Agreement, including but not limited to any claims arising from or in connection with your employment relationship with the company and the severance of that relationship and including claims arising from any alleged violation of any federal, state, or local statutes, ordinances or common law (including but not limited to Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act, the California Fair Employment and Housing Act, and the California Labor Code).

The only claims that are not being waived and released by you are claims you may have for:

a. unemployment, state disability and/or paid family leave insurance benefits pursuant to the terms of applicable state law;

b. continuation of existing participation in Company−sponsored group health benefit plans under the federal law known as "COBRA" and/or under an applicable state counterpart law;

c. any benefit entitlements that are vested as of the Separation Date pursuant to the terms of a Company−sponsored benefit plan governed by the federal law known as "ERISA;"

d. stock and/or vested option shares pursuant to the written terms and conditions of your existing stock option grants and agreements, existing as of the Separation Date;

e. violation of any federal, state or local statutory and/or public policy right or entitlement that, by applicable law, is not waivable;

f. any wrongful act or omission occurring after the date you sign this Agreement;

g. the right to file a claim with a government agency, such as the U.S. Equal Employment Opportunity Commission, that is responsible for enforcing a law on behalf of the government. However, you understand that, because you are waiving and releasing all claims for monetary damages and any other form of personal relief, you may only seek and receive non−personal forms of relief through any such claim; and

h. the right to challenge the validity of this release.

i. any right to indemnification.

8. **Release of Unknown Claims:** For the purposes of implementing a full and complete release and discharge of claims, you expressly waive any and all rights and benefits conferred by the provisions of Section 1542 of the Civil Code of California which provides as follows:

   A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

9. **Confidentiality:** You will not disclose to any person, including, but not limited to, any former, current, or prospective employee of Xilinx, its affiliates, and its subsidiaries, the fact that this offer has been made or the existence or terms of the Agreement; provided, however, disclosure may occur to your attorney, spouse, financial adviser and others on a need−to−know basis, and you may disclose such aspects of the Agreement as may be required to be disclosed by court order, by the proper inquiry of a State or Federal governmental agency, by a subpoena to testify issued by a court of competent jurisdiction or as needed to enforce or challenge the terms of this Agreement, in any of which events, you agree to respond truthfully to all questions asked. Other than mandated by court order, you agree that you will not make any statements that would disparage Xilinx.

10. **Proprietary Rights and Inventions Agreement:** You acknowledge and understand that, even if you do not sign this Agreement, you are still bound by any and all confidential/proprietary/trade secret information, non−disclosure and inventions assignment agreement(s) signed by you in connection with your employment with the Company, or with a predecessor or successor of the Company, pursuant to the terms of such agreement(s). A copy of this Agreement is attached as Exhibit C

11. **No Admission:** Neither the fact that this offer was made or Agreement entered, nor any provision of this Agreement shall be construed as an admission of any wrongdoing of any kind by Xilinx or you.

12. **Review and revocation:**

    (i) You may accept this offer by signing it below no later than 21 days from the day you receive it and returning the signed and dated acceptance to the Company no later than the close of business on the 21st day after the date that you receive this offer.

    (ii) You may revoke your acceptance of this offer within seven days after the date on which you sign this letter (the “Revocation Period”). To be effective, your revocation must be in writing, signed and dated no later than seven days from the date on which you signed and dated your acceptance of this offer, and your written revocation must be received by Shelly Begun 2100 Logic Drive, San Jose, CA 95124 by close of business on the seventh day after the date on which you signed and dated the acceptance of this offer. This Agreement will not be effective or enforceable unless and until the Revocation Period has expired without your having exercised your right of revocation.

13. **Severability:** If any provision of this Agreement is declared or determined by any court to be illegal or invalid, validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.

14. **Legal Counsel:** You acknowledge that you are fully aware of your right to discuss any and all aspects of this matter with an attorney of your choice, that the Company has advised you to consult an attorney prior to executing this Agreement, that you have carefully read and fully understand all of the provisions of this Agreement and that you are voluntarily entering into this Agreement.

15. **Merger and Integration:** This Agreement sets forth the entire agreement between the parties hereto, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

16. **Choice of Law:** This Agreement shall be construed and enforced in accordance with the laws of the State of California.

17. **Binding Arbitration:** Any controversy involving the construction or application of any terms, covenants or conditions of this Agreement, or any claims arising out of or relating to this Agreement or the breach thereof between you and company will be submitted to and settled by final and binding arbitration in Santa Clara County, California in accordance with the rules of the American Arbitration Association under its California Employment Dispute Resolution Rules then in effect or by rules mutually agreed upon in writing by the Parties. Xilinx shall pay all arbitration fees and costs incurred by reason of such arbitration, but not attorneys' fees unless awarded by the arbitrator. The Parties further understand and agree that the arbitration shall be instead of any civil litigation and that the arbitrator's decision shall be final and binding to the fullest extent permitted by law and enforceable by any court having jurisdiction thereof.

Sincerely,
/s/ Shelly Begun

Shelly Begun
VP, World Wide Human Resources
Xilinx, Inc.

ACKNOWLEDGEMENT AND AGREEMENT

I expressly acknowledge that I enter this Agreement knowingly and voluntarily, without any coercion or duress, and that I have had an adequate opportunity to review this letter and to consult my attorney regarding it to the extent I wish to do so. I understand the contents of this letter, and I agree to all of its terms and conditions.

Date:2/26/07

/s/ Kris Chellam

Kris Chellam

EXHIBIT A

SUPPLEMENTAL RELEASE

I, Kris Chellam, hereby affirm that:

I intend that the releases and waivers of Paragraphs 7 and 8 of the Agreement dated February, 28, 2007, shall be and continue to be effective.

I further represent that I have not filed any claims, charges or any other proceedings against Xilinx or released parties.

I understand that if I choose not to sign this Supplemental Release, Xilinx is not obligated to provide me with the additional consideration as set forth in paragraph 3 and 4 of the Agreement.

I understand and agree that I am not entitled to any further compensation, bonus or wages from Xilinx, excluding only those payments referenced in paragraph 2 the Agreement.

/s/ Kris Chellam Date: 2/26/07
Kris Chellam

EXHIBIT B

STATEMENT OF WORK

Xilinx Business Contact: Jon Olson

Consultant: Kris Chellam

Scope of work:

Assisting Xilinx prepare for appeal of the tax court case. Projects directed to Consultant from Xilinx's outside counsel that involve more than nominal amounts of time should first be cleared through Xilinx Business Contact.

1. Review Department of Justice appellate briefs;

2. Review draft appellate briefs from Fenwick & West;

3. Participation in Fenwick & West and Xilinx strategy sessions; and

4. Sit−in on oral arguments practice session(s)

Kris Chellam is expected to commit about 30 to 60 hours on an as needed basis plus an additional number of hours as needed to participate and attend oral arguments.

Assisting Xilinx on internal tax matters including disclosure, planning and/or tax management as directed by Xilinx Business Contact.

Xilinx Business Contact Approval: /s/ Jon Olson
Signature

Jon Olson
Print Name

Kris Chellam Approval: /s/ Kris Chellam
Signature

KRIS CHELLAM
Print Name

EXHIBIT C

XILINX PROPRIETARY RIGHTS AND INVENTIONS AGREEMENT

(Attachment Omitted)

2007 EQUITY INCENTIVE PLAN
(As Amended and Restated Effective March 29, 2007)

This Xilinx, Inc. 2007 Equity Incentive Plan (hereinafter called the "Plan") was adopted by the Board of Directors of Xilinx, Inc., a Delaware corporation (hereinafter called the "Company") on May 3, 2006, and approved by the Company's stockholders at its annual meeting on July 26, 2006. The Plan became effective as of January 1, 2007. The Plan terminates on December 31, 2013.

ARTICLE 1
PURPOSE

The purpose of the Plan is to attract and retain the services of able persons as Employees, Consultants, and Non−Employee Directors of the Company and its Subsidiaries, to provide such persons with a proprietary interest in the Company through the granting of Options, SARs, Restricted Stock, and RSUs, whether granted singly, or in combination, or in tandem, that will (a) increase the interest of such persons in the Company's welfare, and (b) furnish an incentive to such persons to continue their services for the Company and/or Subsidiary.

ARTICLE 2
DEFINITIONS

For purposes of the Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

2.1 "Award" means the grant of any Incentive Stock Option, Non−qualified Stock Option, SAR, Restricted Stock, or Restricted Stock Unit, whether granted singly, in combination or in tandem.

2.2 "Award Agreement" means a written or electronic agreement between a Participant and the Company, which sets out the terms of the grant of an Award.

2.3 "Award Period" means the period during which one or more Awards granted under an Award Agreement may be exercised or earned.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Cause" shall mean: (i) engaging in financial fraud; (ii) embezzling property of the Company and/or any Subsidiary; (iii) non−payment of an obligation owed to the Company; (iv) breach of fiduciary duty or deliberate disregard of Company rules, code of conduct or policies resulting in loss, damage or injury to the Company; (v) engaging in any activity for, or affiliating with, any competitor of the Company and/or any

Subsidiary; (vi) theft of trade secrets or unauthorized disclosure of any confidential information or trade secret of the Company and/or any Subsidiary; or (vii) engaging in conduct that is a violation of securities laws, antitrust and unfair competition laws, the Foreign Corrupt Practices Act, other laws, or which conduct puts the Company and/or any Subsidiary at substantial risk of violating such laws. The Committee, in its sole discretion, shall determine if a Participant's termination of employment or cessation of services is for "Cause."

2.6 "Change of Control." A Change of Control shall occur if:

(a) Any Person, or more than one Person acting as a group, acquires ownership of Shares of the Company that, together with stock held by such Person or group, constitutes more than 50% of the total Fair Market Value or total voting power of the Shares of the Company. However, if any one Person or more than one Person acting as a group, is considered to own more than 50% of the total Fair Market Value or total voting power of the Shares of the Company, the acquisition of additional Shares by the same Person or Persons is not considered to cause a Change in Control;

(b) A majority of members of the Board of Directors of the Company are replaced during any 12−month period by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors of the Company prior to the date of the appointment or election; or

(c) Any one Person, or more than one Person acting as a group, acquires (or has acquired during the 12−month period ending on the date of the most recent acquisition by such Person or Persons) all or substantially all the assets of the Company.

2.7 "Code" means the U.S. Internal Revenue Code of 1986, as amended, together with the published rulings, regulations, and interpretations duly promulgated thereunder.

2.8 "Committee" means the Compensation Committee of the Board or such other Committee appointed or designated by the Board to administer the Plan.

2.9 "Company" means Xilinx, Inc., a Delaware corporation, and any successor entity.

2.10 "Consultant" means each individual who performs services for the Company and/or any Subsidiary, and who is determined by the Committee to be a consultant to the Company and/or Subsidiary.

2.11 "Covered Participant" means a Participant who is a "covered employee" as defined in Section 162(m)(3) of the Code, and the regulations promulgated thereunder, and any individual the Committee determines should be treated as such a covered employee.

2.12 "Date of Grant" means "date of grant" as determined by the Committee consistent with Statement of Financial Accounting Standards 123(R).

2.13 "Director" means a member of the Board or the board of directors of any Subsidiary.

2.14 "Disability" means total and permanent disability of a Participant as described in Section 22(e)(3) of the Code.

2.15 "Employee" means each individual treated as an employee in the records of the Company and/or any Subsidiary. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be.

2.16 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.17 "Exercise Date" means the date specified in the Participant's Exercise Notice, on which the Participant seeks to exercise an Option or SAR.

2.18 "Exercise Notice" means the electronic or written notice from the Participant to the Company (or to a designated broker acting as agent for the Company) notifying the Company or designated broker, as applicable, that the Participant seeks to exercise an Option or SAR.

2.19 "Fair Market Value" of a Share means:

(a) If the Share is listed on any established stock exchange or a national market system, including, without limitation, the Nasdaq Global Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, its Fair Market Value shall be its closing sales price (or the closing bid, if no sales were reported) as quoted on such exchange or system for the date of determination, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;

(b) If the Share is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Share on the date of determination, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Share, the Fair Market Value shall be determined in good faith by the Committee.

2.20 "Good Reason" means the assignment to the Participant of duties that result in a material diminution of the Participant's duties and responsibilities. The Committee, in

its sole discretion, shall determine whether a Participant's termination from employment or cessation of services is for "Good Reason."

2.21 "Incentive Stock Option" or "ISO" means an incentive stock option within the meaning of Section 422 of the Code, granted pursuant to this Plan.

2.22 "Non−Employee Director" means a member of the Board or the board of directors of any Subsidiary who is not an Employee.

2.23 "Non−qualified Stock Option" or "NQSO" means a stock option, granted pursuant to this Plan that is not intended to comply with the requirements set forth in Section 422 of the Code.

2.24 "Option" means either an ISO or NQSO.

2.25 "Option Price" means the price which must be paid by a Participant upon exercise of an Option to purchase a Share.

2.26 "Participant" shall mean an Employee, Consultant, or Non−Employee Director to whom an Award is granted under this Plan.

2.27 "Performance Goal" means the performance goals or objectives established by the Committee as a condition precedent to the vesting of an Award. The Performance Goals related to a Covered Participant are listed in Article 10 of this Plan. The Performance Goals related to a Participant who is not a Covered Participant shall be determined by the Committee in its sole discretion.

2.28 "Performance Period" means the time period designated by the Committee during which Performance Goals must be met.

2.29 "Person" shall mean any individual, corporation, partnership, association, joint−stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

2.30 "Plan" means this Xilinx, Inc. 2007 Equity Incentive Plan, as amended from time to time.

2.31 "Restricted Stock" means Shares issued or transferred to a Participant pursuant to Section 6.5 of this Plan which are subject to restrictions or limitations set forth in this Plan and in the related Award Agreement.

2.32 "Restricted Stock Unit" or "RSU" means a unit denominating a Share that gives the right to receive a payment in cash and/or Shares, and which is subject to restrictions, as described under Section 6.5 of the Plan and in the related Award Agreement.

2.33 "SAR" or "Stock Appreciation Right" means the right to receive a payment, in cash and/or Shares, equal to the excess of the Fair Market Value of a specified number of Shares on the date the SAR is exercised over the SAR Price for such Shares.

2.34" SAR Price" means the Fair Market Value of each Share covered by a SAR on the Date of Grant of such SAR.

2.35 "SEC" shall mean the U.S. Securities and Exchange Commission.

2.36 "Section 16 Insider" means an officer or Director of the Company or any other Participant whose transactions in Shares are subject to the short−swing profit liabilities of Section 16 of the Exchange Act.

2.37 "Service" means a Participant's employment or service with the Company or its Subsidiaries whether in the capacity of an Employee, Director or Consultant. A Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders such Service.

2.38 "Shares" means the Company's common stock.

2.39 "Subsidiary" means a "subsidiary corporation," as defined under Section 424(f) of the Code.

ARTICLE 3
ADMINISTRATION

3.1 The Committee shall administer the Plan unless otherwise determined by the Board. However, any Awards granted to members of the Committee (other than pursuant to the automatic grant program under Article 11) must be authorized by a disinterested majority of the Board. The Board may, in its discretion and in accordance with applicable law, delegate authority to one or more elected officers of the Company to grant Awards to Participants who are not Section 16 Insiders. In that event, the applicable provisions of the Plan will be interpreted to permit such officers to take the actions otherwise conferred on the Committee to the extent necessary or appropriate to implement such delegation.

3.2 Members of the Committee shall serve for such period of time as the Board may determine and may be removed by the Board at any time. The Board may also at any time terminate the functions delegated to any officer pursuant to Section 3.1, and reassume all powers and authority previously delegated to such officer.

3.3 The Committee shall determine and designate from time to time the eligible persons to whom Awards will be granted and shall set forth in each related Award Agreement the Award Period, the Date of Grant, and such other terms, provisions, limitations, and Performance Goals, as are approved by the Committee, but not

inconsistent with the Plan, including, but not limited to, any rights of the Committee to cancel or rescind any such Award.

3.4 The Committee, in its discretion, shall (i) interpret the Plan, (ii) prescribe, amend, and rescind any rules and regulations necessary or appropriate for the administration of the Plan, and (iii) make such other determinations and take such other action as it deems necessary or advisable in the administration of the Plan, including, but not limited to, creating sub−plans to take advantage of favorable tax−treatment, or otherwise provide for grants of Awards to Employees, Consultants, or Non−Employee Directors of the Company and/or any Subsidiary residing in non−U.S. jurisdictions. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding and conclusive on all interested parties.

3.5 With respect to restrictions in the Plan that are based on the requirements of Section 422 of the Code, Section 162(m) of the Code, the rules of any exchange or inter−dealer quotation system upon which the Company's securities are listed or quoted, or any other applicable law, rule or restriction (collectively, "applicable law"), to the extent that any such restrictions are no longer required by applicable law, the Committee shall have the sole discretion and authority to grant Awards that are not subject to such mandated restrictions and/or to waive any such mandated restrictions with respect to outstanding Awards.

ARTICLE 4
ELIGIBILITY

The Committee, upon its own action, may grant, but shall not be required to grant, an Award to any Employee, Consultant, or Non−Employee Director. Awards may be granted by the Committee at any time and from time to time to new Participants, or to then Participants, or to a greater or lesser number of Participants, and may include or exclude previous Participants, as the Committee shall determine. Except as required by this Plan, different Awards need not contain similar provisions. The Committee's determinations under the Plan (including, without limitation, the determination of the individual who is to receive an Award, the form, amount and timing of such Award, and the terms and provisions of such Award and the agreements evidencing the same) need not be uniform and may be made by it selectively among Employees, Consultants, or Non−Employee Directors who receive, or are eligible to receive, Awards under the Plan.

ARTICLE 5
SHARES SUBJECT TO PLAN

5.1 *Total Shares Available.* Subject to adjustment as provided in Articles 14 and 15, the maximum number of Shares that may be delivered pursuant to Awards granted under the Plan is 10,000,000, all of which may be granted as Incentive Stock Options.

5.2 *Source of Shares.* Shares to be issued may be made available from authorized but unissued Shares, Shares held by the Company in its treasury, or Shares

purchased by the Company on the open market or otherwise. During the term of this Plan, the Company will at all times reserve and keep available a number of Shares that shall be sufficient to satisfy the requirements of this Plan.

5.3 *Restoration and Retention of Shares.* If any Shares subject to an Award shall not be issued or transferred to a Participant and shall cease to be issuable or transferable to a Participant because of the forfeiture, termination, expiration or cancellation, in whole or in part, of such Award or for any other reason, or if any such Shares shall, after issuance or transfer, be reacquired by the Company because of the Participant's failure to comply with the terms and conditions of an Award or for any other reason, the Shares not so issued or transferred, or the Shares so reacquired by the Company, as the case may be, shall no longer be charged against the limitation provided for in Section 5.1 and may be used thereafter for additional Awards under the Plan. To the extent an Award under the Plan is settled or paid in cash, Shares subject to such Award will not be considered to have been issued and will not be applied against the maximum number of Shares provided for in Section 5.1. If an Award may be settled in Shares or cash, such Shares shall be deemed issued only when and to the extent that settlement or payment is actually made in Shares. To the extent an Award is settled or paid in cash, and not Shares, any Shares previously reserved for issuance or transfer pursuant to such Award will again be deemed available for issuance or transfer under the Plan, and the maximum number of Shares that may be issued or transferred under the Plan shall be reduced only by the number of Shares actually issued and transferred to the Participant. The Committee may, from time to time, adopt and observe such procedures concerning the counting of Shares against the Plan maximum as it may deem appropriate.

ARTICLE 6
GRANT OF AWARDS

6.1 *Award Agreement.* The grant of an Award shall be authorized by the Committee and may be evidenced by an Award Agreement setting forth the term of the Award, including the total number of Shares subject to the Award, the Option Price (if applicable), the Award Period, the Date of Grant, and such other terms, provisions, limitations, and Performance Goals, as are approved by the Committee, but not inconsistent with the Plan. The Company may execute an Award Agreement with a Participant after the Committee approves the issuance of an Award. The grant of an Award to a Participant shall not be deemed either to entitle the Participant to, or to disqualify the Participant from, the receipt of any other Award under the Plan.

6.2 *Limitations on Awards.* The Plan is subject to the following limitations:

(a) *Options.* The Option Price cannot be less than 100% of the Fair Market Value of the Share(s) underlying the Option on the Date of Grant of such Option.

(b) *SARs.* The SAR Price of a SAR cannot be less than 100% of the Fair Market Value of the Share(s) underlying the SAR on the Date of Grant of such SAR.

(c) *Calendar Year Share Limit.* Subject to the adjustments as provided in Articles 14 and 15, the aggregate Awards granted under the Plan to any Participant during any calendar year shall not exceed:

(i) 4,000,000 Shares subject to Options, SARs or a combination of the foregoing; and

(ii) 2,000,000 Shares subject to Awards other than Options or SARs.

(d) *Calendar Year Cash Limit.* No Participant may receive during any calendar year Awards under the Plan that are to be settled in cash covering an aggregate of more than $6,000,000.

(e) *Term.* The term of Awards may not exceed seven (7) years.

(f) *Repricing.* The Committee shall not reprice an Option, either by directly lowering the exercise price, or through the cancellation of an Option in exchange for a new Option having a lower exercise price, without stockholder approval.

6.3 *Rights as Stockholder.* Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or any authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder of the Company shall exist with respect to such Shares, notwithstanding the exercise of any Award. No adjustment will be made for a dividend or other rights for which the record date is prior to the date Shares are issued.

6.4 *Options.*

(a) *In General.* The Committee may grant Options under the Plan. ISOs may be granted only to Employees. NQSOs may be granted to Employees, Consultants, and Non−Employee Directors. With respect to each Option, the Committee shall determine the number of Shares subject to the Option, the Option Price, the term of the Option, the time or times at which the Option may be exercised and whether the Option is an ISO or an NQSO.

(b) *Vesting.* Subject to Article 15 of the Plan, Options shall vest upon satisfaction of the conditions set forth in the Award Agreement. Such conditions may provide for vesting based on (i) length of continuous service, (ii) achievement of specific business objectives, (iii) increases in specified

indices, (iv) attainment of specified growth rates, or (v) other Performance Goals, as may be determined by the Committee in its sole discretion.

(c) *Special Rule for ISOs.* If the aggregate Fair Market Value of Shares (determined as of the Date of Grant) underlying ISOs that first become exercisable during any calendar year exceeds $100,000, the portion of the Option or Options not exceeding $100,000, to the extent of whole Shares, will be treated as an ISO and the remaining portion of the Option or Options will be treated as an NQSO. The preceding sentence will be applied by taking Options into account in the order in which they were granted.

6.5 *Restricted Stock/Restricted Stock Units.* If Restricted Stock and/or Restricted Stock Units are granted to a Participant under an Award, the Committee shall establish: (i) the number of Shares of Restricted Stock and/or the number of Restricted Stock Units awarded, (ii) the price, if any, to be paid by the Participant for such Restricted Stock and/or Restricted Stock Units, (iii) the time or times within which such Award may be subject to forfeiture, (iv) Performance Goals of the Company, a Subsidiary, any division thereof or any group of Employees of the Company, or other criteria, if any, which the Committee determines must be met in order to remove any restrictions (including vesting) on such Award, and (v) all other terms, limitations, restrictions, and conditions of the Restricted Stock and/or Restricted Stock Units, which shall be consistent with this Plan. The provisions of Restricted Stock and/or Restricted Stock Units need not be the same with respect to each Participant.

(a) *Legend on Shares.* Each Participant who is awarded Restricted Stock shall be issued the number of Shares specified in the Award Agreement for such Restricted Stock, and such Shares shall be recorded in the Share transfer records of the Company and ownership of such Shares shall be evidenced by a certificate or book entry notation in the Share transfer records of the Company. Such Shares shall be registered in the name of the Participant, and shall bear or be subject to an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock. The Committee may require that the Share certificates or other evidence of ownership of the Shares of Restricted Stock be held in custody by the Company until the restrictions thereon shall have lapsed, and that the Participant deliver to the Committee a share power or share powers, endorsed in blank, relating to the Shares of Restricted Stock.

(b) *Restrictions and Conditions.* Shares of Restricted Stock and Restricted Stock Units shall be subject to the following restrictions and conditions:

(i) Subject to the other provisions of this Plan and the terms of the particular Award Agreements, during such period as may be determined by the Committee commencing on the Date of Grant (the "Restriction Period"), the Participant shall not be permitted to sell, transfer, pledge or assign Shares of Restricted Stock and/or Restricted Stock Units.

(ii) Except as provided in subparagraph (i) above and subject to the terms of a Participant's Award Agreement, the Participant shall have, with respect to his or her Restricted Stock, all of the rights of a stockholder of the Company, including the right to vote the Shares, and the right to receive any dividends thereon. Certificates or evidence of ownership of Shares free of restriction under this Plan shall be delivered to the Participant promptly after, and only after, the Restriction Period shall expire without forfeiture in respect of such Shares. Certificates for the Shares forfeited under the provisions of the Plan shall be promptly returned to the Company by the forfeiting Participant. Each Participant, by his or her acceptance of Restricted Stock, shall irrevocably grant to the Company a power of attorney to transfer any Shares so forfeited to the Company and agrees to execute any documents requested by the Company in connection with such forfeiture and transfer.

(iii) The Restriction Period of Restricted Stock and/or Restricted Stock Units shall commence on the Date of Grant and, subject to Article 15 of the Plan, shall expire upon satisfaction of the conditions set forth in the Award Agreement; such conditions may provide for vesting based on (i) length of continuous service, (ii) achievement of specific business objectives, (iii) increases in specified indices, (iv) attainment of specified growth rates, or (v) other Performance Goals, as may be determined by the Committee in its sole discretion.

6.6 *SARs.*

(a) *In General.* A SAR shall entitle the Participant to surrender to the Company the SAR, or a portion thereof, as the Participant shall choose, and to receive from the Company in exchange therefore cash or Shares in an amount equal to the excess (if any) of the Fair Market Value (as of the date of the exercise of the SAR) per Share over the SAR Price per Share specified in such SAR, multiplied by the total number of Shares of the SAR being surrendered. In the discretion of the Committee, the Company may satisfy its obligation upon exercise of a SAR by the distribution of that number of Shares having an aggregate Fair Market Value (as of the date of the exercise of the SAR) equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional Shares, or the Company may settle such obligation in part with Shares and in part with cash.

(b) *Vesting.* Subject to Article 15 of the Plan, SARs shall vest upon satisfaction of the conditions set forth in the Award Agreement; such conditions may provide for vesting based on (i) length of continuous service, (ii) achievement of specific business objectives, (iii) increases in specified indices, (iv) attainment of specified growth rates, or (v) other Performance Goals, as may be determined by the Committee in its sole discretion.

ARTICLE 7
AWARD PERIOD; VESTING

The Committee, in its sole discretion, may determine that an Award will be immediately exercisable or vested, in whole or in part, or that all or any portion may not be exercised or vest until a date, or dates, subsequent to its Date of Grant, or until the occurrence of one or more specified events, subject in any case to the terms of the Plan. If the Committee imposes conditions upon exercise or vesting, then subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or any portion of the Award may be exercised or vested.

ARTICLE 8
TERMINATION OF SERVICE

Sections 8.1, 8.2, 8.4 and 8.7 of this Article 8 shall not apply to Options granted pursuant to Article 11 (Automatic Option Grants to Outside Directors). The provisions of this Article 8 shall apply to all other Awards granted under the Plan, unless otherwise provided in an applicable Award Agreement.

8.1 *In General.* If a Participant's Service is terminated or ceases, other than for Good Reason, Cause, or by reason of death or Disability, then the portion of any Award that is not vested as of the date of such termination or cessation shall automatically lapse and be forfeited. The portion, if any, of any Option or SAR that is vested as of the date of such termination or cessation shall automatically lapse and be forfeited at the close of business on the 30th day following the date of such Participant's termination or cessation (or if earlier, upon the expiration of the term of the Option or SAR), subject to Section 8.6 and 8.7 below, to the extent applicable.

8.2 *Death or Disability.* If a Participant's employment as an Employee, or service as a Consultant or Non−Employee Director is terminated by reason of Disability, then the portion of any Award that is not vested as of the date of such termination shall automatically lapse and be forfeited. The portion, if any, of any Option or SAR that is vested as of the date of such termination shall automatically lapse and be forfeited at the close of business on the 12−month anniversary of the date of such Participant's termination (or if earlier, upon the expiration of the option term). If a Participant's employment as an Employee, or service as a Consultant or Non−Employee Director is terminated by reason of death, vesting of the unvested portion of any Award shall be accelerated on the date of such termination so that the Participant's Award shall vest with respect to an additional number of Shares in which the Participant would have vested if the Participant had remained in employment or service for a period of 12 months following such termination. Any such vested Award shall automatically lapse and be forfeited at the close of business on the 12−month anniversary of the date of such Participant's death (or if earlier, upon the expiration of the term of the Option or SAR).

8.3 *Suspension or Termination for Cause.* If at any time (including after a notice of exercise has been delivered) the Committee reasonably believes that a Participant has

committed an act of misconduct as described in Section 2.5, the Committee or an officer of the Company authorized by the Committee may suspend the Participant's right to receive the benefit of any Award pending a determination by the Committee of whether an act of misconduct amounting to Cause has been committed. If at any time a Participant's employment as an Employee, or service as a Consultant or Non−Employee Director is terminated by the Company for Cause, the Participant's entire Award, whether vested or unvested, shall automatically lapse and be forfeited on the date of such termination. Any determination by the Committee with regard to the foregoing shall be final, conclusive and binding on all interested parties. For any Participant who is an "executive officer" for purposes of Section 16 of the Exchange Act, the determination of the Committee shall be subject to the approval of the Board of Directors.

8.4 *Termination for Good Reason.* If a Participant's employment as an Employee, or service as a Consultant or Non−Employee Director is terminated for Good Reason, the portion of any Award that is not vested as of the date of such termination shall automatically lapse and be forfeited. The portion, if any, of any Option or SAR that is vested as of the date of such termination shall automatically lapse and be forfeited at the close of business on the 12−month anniversary of the date of such Participant's termination (or if earlier, upon the expiration of the term of the Option or SAR).

8.5 *Leave of Absence; Transfer*. For purposes of this Plan, a Participant shall not be deemed to have a termination of employment or a cessation of services, if the Participant is either on a leave of absence approved by the Company or any Subsidiary, or the Participant transfers between locations of the Company or any Subsidiary. Notwithstanding the above, vesting of Awards shall cease while a Participant is on a leave of absence unless the Committee or applicable laws and regulations determine[s] otherwise.

8.6 *Extension if Exercise is Prevented by Law*. Notwithstanding the foregoing, if the exercise of an Option or SAR within the applicable periods set forth in this Article 8 is prevented by the provisions of Section 18.6, the Option or SAR shall remain exercisable until 30 days after the date the Participant is notified by the Company that the Option or SAR is exercisable, but in any event, no later than the expiration of the term of the Option or SAR.

8.7 *Extension if Participant is a Section 16 Insider*. Notwithstanding the foregoing, other than termination for Good Reason, Cause or by reason of death or Disability, if the Participant is a Section 16 Insider at the time of termination or cessation of Service, then the portion of any Award that is not vested as of the date of such termination or cessation shall automatically lapse and be forfeited. The portion, if any, of any Option or SAR that is vested as of the date of such termination or cessation of Service shall automatically lapse and be forfeited at the close of business on the last business day of the seventh month following the date of Participant’s termination or cessation of Service (or if earlier, upon the expiration of the term of the Option or SAR).

ARTICLE 9
EXERCISE OF AWARD

9.1 *In General.*

(a) A vested Award may be exercised at such times and in such amounts as provided in this Plan and the applicable Award Agreement, subject to the terms, conditions and restrictions of the Plan.

(b) In no event may an Award be exercised or Shares be issued pursuant to an Award if a necessary listing or quotation of the Shares on a stock exchange or inter−dealer quotation system or any registration under, or compliance with, any laws required under the circumstances has not been accomplished. No Award may be exercised for a fractional Share.

9.2 *Stock Options.*

(a) Subject to such administrative regulations as the Committee may from time to time adopt, an Option may be exercised by the delivery of the Exercise Notice to the Company (or designated broker, as agent for the Company). On the Exercise Date, the Participant shall deliver to the Company (or designated broker, as agent for the Company) consideration with a value equal to the total Option Price of the Shares to be purchased. The acceptable form(s) of consideration for the total Option Price shall be specified in the Award Agreement. Such consideration may include the following: (i) cash, check, bank draft, or money order payable to the order of the Company, (ii)Shares owned by the Participant on the Exercise Date, valued at their Fair Market Value on the Exercise Date, (iii) by delivery (including by fax) to the Company (or designated broker, as agent for the Company) of an executed irrevocable option exercise form together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the Shares purchased upon exercise of the Option and promptly deliver to the Company the amount of sale proceeds necessary to pay such purchase price, (iv) a "cashless exercise" mechanism approved by the Committee, and/or (v) in any other form of valid consideration that is acceptable to the Company in its sole discretion.

(b) Upon payment of all amounts due from the Participant, the Company shall cause Shares then being purchased to be delivered as directed by the Participant (or the person exercising the Participant's Option in the event of his death) at its principal business office promptly after the Exercise Date; provided that if the Participant has exercised an ISO, the Company may, at its option, retain possession of the Shares acquired upon exercise until the expiration of the holding periods described in Section 422(a)(1) of the Code. The obligation of the Company to deliver Shares shall, however, be subject to the condition that if at any time the Committee shall determine in its discretion that the listing, registration, or qualification of the Option or the Shares upon any securities

exchange or inter−dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the Option or the issuance or purchase of Shares thereunder, the Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

(c) If the Participant fails to pay for any of the Shares specified in such notice or fails to accept delivery thereof, the Participant's right to purchase such Shares may be terminated by the Company.

9.3 *SARs.* Subject to the conditions of this Section and such administrative regulations as the Committee may, from time to time, adopt, a SAR may be exercised by the delivery of the Exercise Notice to the Company (or designated broker, as agent for the Company). On the Exercise Date, the Participant shall receive from the Company in exchange for cash in an amount equal to the excess (if any) of the Fair Market Value (as of the date of the exercise of the SAR) per Share over the SAR Price per Share specified in such SAR, multiplied by the total number of Shares of the SAR being surrendered. In the discretion of the Committee, the Company may satisfy its obligation upon exercise of a SAR by the distribution of that number of Shares having an aggregate Fair Market Value (as of the date of the exercise of the SAR) equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional Shares, or the Company may settle such obligation in part with Shares and in part with cash.

9.4 *Tax Withholding.* The Company or any Subsidiary (as applicable) is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding taxes with respect to an Award, its exercise, the lapse of restrictions thereon, payment or transfer under an Award or under the Plan, and to take any other action necessary in the opinion of the Company to satisfy all obligations for the payment of the taxes. Such payments shall be required to be made prior to the delivery of any Shares. Such payment may be made in cash, by check, or through the delivery of Shares owned by the Participant (which may be effected by the actual delivery of Shares by the Participant or by the Company's withholding a number of Shares to be issued upon the exercise of a Share, if applicable), or any combination thereof.

ARTICLE 10
SPECIAL PROVISIONS APPLICABLE TO COVERED PARTICIPANTS

Awards subject to Performance Goals paid to Covered Participants under this Plan shall be governed by the provisions of this Article 10 in addition to the requirements of Article 6. Should the provisions set forth under this Article 10 conflict with the requirements of Article 6, the provisions of this Article 10 shall prevail.

10.1 *Establishment of Performance Goals.* All Performance Goals, relating to Covered Participants for a relevant Performance Period shall be established by the Committee in writing prior to the beginning of the Performance Period, or by such other later date for the Performance Period as may be permitted under Section 162(m) of the Code. The Performance Goals may be identical for all Participants or, at the discretion of the Committee, may be different to reflect more appropriate measures of individual performance.

10.2 *Performance Goals.* The Committee shall establish the Performance Goals relating to Covered Participants for a Performance Period in writing. Performance Goals may include alternative and multiple Performance Goals and may be based on one or more business and/or financial criteria. In establishing the Performance Goals for the Performance Period, the Committee, in its discretion, may include one or any combination of the following criteria in either absolute or relative terms, for the Company or any Subsidiary, without excluding other criteria:

(a) Increased revenue;

(b) Net income measures (including, but not limited to, income after capital costs and income before or after taxes);

(c) Stock price measures (including, but not limited to, growth measures and total stockholder return);

(d) Market segment share;

(e) Earnings per Share (actual or targeted growth);

(f) Cash flow measures (including, but not limited to, net cash flow and net cash flow before financing activities);

(g) Return measures (including, but not limited to, return on equity, return on average assets, return on capital, risk−adjusted return on capital, return on investors' capital and return on average equity);

(h) Operating measures (including operating income, funds from operations, cash from operations, after−tax operating income, sales volumes, production volumes and production efficiency); and

(i) Expense measures (including, but not limited to, overhead cost and general and administrative expense).

10.3 *Compliance with Section 162(m).* The Performance Goals must be objective and must satisfy third party "objectivity" standards under Section 162(m) of the Code, and the regulations promulgated thereunder. In interpreting Plan provisions relating to Awards subject to Performance Goals paid to Covered Participants, it is the intent of the

Plan to conform with the standards of Section 162(m) of the Code and Treasury Regulation §1.162−27(e)(2)(i), and the Committee in establishing such goals and interpreting the Plan shall be guided by such provisions.

10.4 *Adjustments.* The Committee is authorized to make adjustments in the method of calculating attainment of Performance Goals in recognition of: (i) extraordinary or non−recurring items, (ii) changes in tax laws, (iii) changes in generally accepted accounting principles, (iv) charges related to restructured or discontinued operations, (v) restatement of prior period financial results, and (vi) any other unusual, non−recurring gain or loss that is separately identified and quantified in the Company's financial statements. Notwithstanding the foregoing, the Committee may, in its sole discretion, reduce the performance results upon which Awards are based under the Plan, to offset any unintended result(s) arising from events not anticipated when the Performance Goals were established, or for any other purpose, provided that such adjustment is permitted by Section 162(m) of the Code.

10.5 *Discretionary Adjustments.* The Performance Goals shall not allow for any discretion by the Committee as to an increase in any Award, but discretion to lower an Award is permissible.

10.6 *Certification.* The Award and payment of any Award under this Plan to a Covered Participant with respect to a relevant Performance Period shall be contingent upon the attainment of the Performance Goals that are applicable to such Covered Participant. The Committee shall certify in writing prior to payment of any such Award that such applicable Performance Goals relating to the Award are satisfied. Approved minutes of the Committee may be used for this purpose.

10.7 *Other Considerations.* All Awards to Covered Participants under this Plan shall be further subject to such other conditions, restrictions and requirements as the Committee may determine to be necessary to carry out the purpose of this Article 10.

ARTICLE 11
AUTOMATIC OPTION GRANTS TO OUTSIDE DIRECTORS

The Committee may from time to time establish an automatic grant program for Outside Directors. Unless and until otherwise determined by the Committee, Non−qualified Stock Options shall be granted automatically without any further action of the Committee as follows:

11.1 *Initial Grants*. Each individual who is first elected or appointed as an Outside Director at any time after the effective date of the Plan shall automatically be granted, on the date of such initial election or appointment, a Non−qualified Stock Option to purchase 36,000 Shares, provided that the director has not previously been an employee member of the Board (the “Initial Grant”). The Initial Grant shall become exercisable as to 25% of the Shares subject to the Initial Grant on the first anniversary of the date of grant, provided, the Outside Director’s Service continues through such date

and, thereafter, as to 1/48th of the Shares subject to the Initial Grant in a series of 36 equal, successive monthly installments upon the Outside Director's completion of each month of Service over the 36 month period measured from the first anniversary of the date of grant. An "Outside Director" shall mean a non−employee member of the Board.

11.2 *Annual Grants*. On the first trading day in January of each year beginning in 2008, each individual who, as of that date, is and has been for the previous six months an Outside Director, shall automatically be granted a Non−qualified Stock Option to purchase 18,000 Shares (the "Annual Grant") which shall become exercisable as to 1/48th of the Shares subject to the Annual Grant in a series of 48 equal, successive monthly installments upon the Outside Director's completion of each month of Service over the 48 month period measured from the date of grant.

11.3 *Terms of Options*. The terms of the Options granted under this Article 11 shall be as follows:

(a) the term of each Option shall be seven (7) years.

(b) the exercise price per Share shall be 100% of the Fair Market Value per Share on the date of grant.

(c) the Option shall be exercisable only while the Outside Director remains an Outside Director, or within seven (7) months following the date the Outside Director's Service ceases (or if earlier, upon the expiration of the term of the Option) and the portion of the Option that is not vested as of the date of such cessation of Service shall automatically lapse and be forfeited, except, (i) in the case of the Outside Director's death, vesting of the unvested portion of the Option shall be accelerated on the date of the Outside Director's death so that the Option shall vest with respect to an additional number of Shares in which the Outside Director would have vested if the Outside Director had remained in Service for a period of 12 months following such death, and such vested Option shall automatically lapse and be forfeited at the close of business on the 12−month anniversary of the date of such Outside Director's death (or if earlier, upon the expiration of the term of the Option) and (ii) in the case of the Outside Director's cessation of Service by reason of Disability, the portion of the Option that is not vested as of the date of such cessation of Service shall automatically lapse and be forfeited, and the portion, if any, of the Option that is vested as of the date of such cessation of Service shall automatically lapse and be forfeited at the close of business on the 12−month anniversary of the date of such the cessation of Service (or if earlier, upon the expiration of the term of the Option).

ARTICLE 12
AMENDMENT OR DISCONTINUANCE

Subject to the limitations set forth in this Article 12, the Board may, at any time and from time to time, without the consent of the Participants, alter, amend, revise, suspend, or discontinue the Plan, in whole or in part; provided, however, that no amendment which requires stockholder approval under the rules of the national exchange on which Shares

are listed (or in order for the Plan and Awards awarded under the Plan to comply with Section 422 or Section 162(m) of the Code, including any successors to such sections), shall be effective unless such amendment shall be approved by the requisite vote of the stockholders of the Company entitled to vote thereon; and, provided further, that, subject to Section 18.1, no amendment shall adversely affect any rights of Participants or obligations of the Company to Participants with respect to any Award theretofore granted under the Plan without the written consent of the affected Participant.

ARTICLE 13
EFFECTIVE DATE AND TERM

The Plan shall be effective as of January 1, 2007. Subject to earlier termination pursuant to Article 11, the Plan shall have a term of seven (7) years from its effective date and will terminate on December 31, 2013. After termination of the Plan, no future Awards may be made. However, any Awards granted before that date will continue to be effective in accordance with their terms and conditions.

ARTICLE 14
CAPITAL ADJUSTMENTS

14.1 *In General.* If at any time while the Plan is in effect, or Awards are outstanding, there shall be any increase or decrease in the number of issued and outstanding Shares resulting from (1) the declaration or payment of a stock dividend, (2) any recapitalization resulting in a stock split−up, combination, or exchange of Shares, or (3) other increase or decrease in such Shares effected without receipt of consideration by the Company, then:

(a) An equitable adjustment shall be made in the maximum number of Shares then subject to being awarded under the Plan and in the maximum number of Shares that may be awarded to a Participant to the extent that the same proportion of the Company's issued and outstanding Shares shall continue to be subject to being so awarded.

(b) Equitable adjustments shall be made in the number of Shares and the Option Price thereof then subject to purchase pursuant to each such Option previously granted and unexercised, to the extent that the same proportion of the Company's issued and outstanding Shares in each such instance shall remain subject to purchase at the same aggregate Option Price.

(c) Equitable adjustments shall be made in the number of SARs and the SAR Price thereof then subject to exercise pursuant to each such SAR previously granted and unexercised, to the extent that the same proportion of the Company's issued and outstanding Shares in each instance shall remain subject to exercise at the same aggregate SAR Price.

(d) Equitable adjustments shall be made in the number of outstanding Shares of Restricted Stock and the number of Restricted Stock Units with respect to which restrictions have not yet lapsed prior to any such change.

14.2 *Issuance of Shares or Other Convertible Securities.* Except as otherwise expressly provided herein, the issuance by the Company of Shares of any class, or securities convertible into Shares of any class, either in connection with direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of Shares or obligations of the Company convertible into such Shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to (i) the number of or Option Price of Shares then subject to outstanding Options granted under the Plan, (ii) the number of or SAR Price or SARs then subject to outstanding SARs granted under the Plan, (iii) the number of outstanding Shares of Restricted Stock, or (iv) the number of outstanding Restricted Stock Units.

14.3 *Notification.* Upon the occurrence of each event requiring an adjustment with respect to any Award, the Company shall notify each affected Participant of its computation of such adjustment, which shall be conclusive and shall be binding upon each such Participant.

ARTICLE 15
RECAPITALIZATION; CHANGE OF CONTROL

15.1 *Adjustments, Recapitalizations, Reorganizations, or Other Adjustments.* The existence of this Plan and Awards granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure and its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Shares or the rights thereof (or any rights, options, or warrants to purchase same), or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

15.2 *Acquiring Entity.* Subject to any required action by the stockholders, if the Company shall be the surviving or resulting corporation in any merger, consolidation or Share exchange, any Award granted hereunder shall pertain to and apply to the securities or rights (including cash, property, or assets) to which a Participant would have been entitled had the Participant been a stockholder of the Company immediately prior to such transaction.

15.3 *Acquired Entity.* In the event of any merger, consolidation or Share exchange pursuant to which the Company is not the surviving or resulting corporation, there shall be substituted for each or any Share subject to the unexercised portions of such outstanding Award, that number of Shares of each class of stock or other securities or that amount of cash, property, or assets of the surviving, resulting or consolidated

company which were distributed or distributable to the stockholders of the Company in respect to each or any Share held by them, such outstanding Awards to be thereafter exercisable or settled for such stock, securities, cash, or property in accordance with their terms. Notwithstanding the foregoing, however, all or any portion of Awards may be canceled by the Company immediately prior to the effective date of any such reorganization, merger, consolidation, Share exchange or any dissolution or liquidation of the Company by giving notice to each holder thereof or his or her personal representative of its intention to do so and by permitting the purchase during the 30 day period next preceding such effective date of all or any portion of the Shares subject to such outstanding Awards whether or not such Awards are then vested or exercisable.

15.4 *Change of Control.* In the event of a Change of Control, notwithstanding any other provision in this Plan to the contrary, the Committee may, in its sole discretion, and to such extent, if any, as it shall determine, provide that the vesting and exercisability of all or any portion of Awards outstanding and not otherwise canceled in accordance with Section 15.3 above shall be accelerated and all or any Restriction Periods applicable to Restricted Stock and/or Restricted Stock Units shall lapse and expire.

ARTICLE 16
LIQUIDATION OR DISSOLUTION

In case the Company sells all or substantially all of its property, or dissolves, liquidates, or winds up its affairs (each, a "Dissolution Event"), the Participant shall receive, to the extent the participant is vested in an Award, the same kind and amount of any securities or assets as may be issuable, distributable, or payable upon any such sale, dissolution, liquidation, or winding up with respect to each Share of the Company.

ARTICLE 17
ADDITIONAL AUTHORITY OF COMMITTEE

In addition to the Committee's authority set forth elsewhere, in order to maintain a Participant's rights in the event of any Change of Control or Dissolution Event described under Articles 15 and 16, the Committee, as constituted before the Change of Control or Dissolution Event, is hereby authorized, and has sole discretion, as to any Award, either at the time the Award is made hereunder or any time thereafter, to take any one or more of the following actions:

(a) provide for the acceleration of any time periods relating to the vesting, exercise or realization of the Award so that the Award may be exercised or realized in full on or before a date fixed by the Committee;

(b) provide for the purchase of any Award, upon the Participant's request, for an amount of cash equal to the amount that could have been attained upon the exercise of the Award or realization of the Participant's rights in the Award had the Award been currently exercisable or payable;

(c) adjust any outstanding Award as the Committee deems appropriate to reflect the Change of Control or Dissolution Event;

(d) cause any outstanding Award to be assumed, or new rights substituted therefor, by the acquiring or surviving corporation after a Change of Control or successor following a Dissolution Event; or

(e) the Committee may, in its discretion, include other provisions and limitations in any Award Agreement as it may deem equitable and in the best interests of the Company.

ARTICLE 18
MISCELLANEOUS PROVISIONS

18.1 *Code Section 409A.* Notwithstanding anything in this Plan to the contrary, if any Plan provision or Award under the Plan would result in the imposition of an applicable tax under Code Section 409A and related regulations and U.S. Treasury pronouncements ("Section 409A"), that Plan provision or Award may be reformed to avoid imposition of the applicable tax and no action taken to comply with Section 409A shall be deemed to adversely affect the Participant's rights to an Award.

18.2 *Investment Intent.* The Company may require that there be presented to and filed with it by any Participant under the Plan, such evidence as it may deem necessary to establish that the Awards granted or the Shares to be purchased or transferred are being acquired for investment and not with a view to their distribution.

18.3 *No Right to Continued Employment.* Neither the Plan nor any Award granted under the Plan shall confer upon any Participant any right with respect to continuance of employment or service with the Company or any Subsidiary.

18.4 *Indemnification of Board and Committee.* No member of the Board of Directors of the Company or the Committee, nor any officer or employee of the Company acting on behalf of the Board of Directors of the Company or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board of Directors of the Company or the Committee and each and any officer or employee of the Company acting on their behalf shall, to the fullest extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination, or interpretation.

18.5 *Effect of the Plan.* Neither the adoption of this Plan nor any action of the Board or the Committee shall be deemed to give any person any right to be granted an Award or any other rights except as may be evidenced by an Award Agreement, or any amendment thereto, duly authorized by the Committee and executed on behalf of the Company, and then only to the extent and upon the terms and conditions expressly set forth therein.

18.6 *Compliance with Laws and Regulations.* Notwithstanding anything contained herein to the contrary, the Company shall not be required to sell or issue Shares under any Award if the issuance thereof would constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority or any national securities exchange or inter−dealer quotation system or other forum in which Shares are quoted or traded (including, without limitation, Sections 162(m) and 409A or 422 of the Code), and, as a condition of any sale or issuance of Shares under an Award, the Committee may require such agreements or undertakings, if any, as the Committee may deem necessary or advisable to assure compliance with any such law or regulation. The Plan, the grant and exercise of Awards hereunder, and the obligation of the Company to sell and deliver Shares, shall be subject to all applicable laws, rules and regulations and to such approvals by any government or regulatory agency as may be required.

18.7 *Severability.* If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

18.8 *Assignability.* Awards may not be transferred or assigned other than by will or the laws of descent and distribution and may be exercised during the lifetime of the Participant only by the Participant or the Participant's legally authorized representative, and each Award Agreement in respect of an Award shall so provide. Notwithstanding the previous sentence, the Committee, in its sole discretion, may allow for the transfer or assignment of a Participant's Award pursuant to a divorce decree or a domestic relations order, but only if such Participant is a U.S. resident.

18.9 *No Trust or Fund Created.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or any fiduciary relationship between the Company or any affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any affiliate.

18.10 *Use of Proceeds.* Proceeds from the sale of Shares pursuant to Awards granted under this Plan shall constitute general funds of the Company.

18.11 *Governing Law.* The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be determined in accordance with the laws of Delaware without giving effect to its choice of law provisions.

18.12 *No Fractional Shares.* No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash,

other securities, or other property shall be paid or transferred in lieu of any fractional Shares or whether fractional Shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

18.13 *Headings.* Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. The headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

18.14 *Construction.* Use of the term "including" in this Plan shall be construed to mean "including, but not limited to."

XILINX, INC.

STOCK OPTION AGREEMENT

RECITALS

A. The Board has adopted the 2007 Equity Incentive Plan (the "Plan") for the purpose of retaining the services of selected Employees, Non−Employee Directors and Consultants.

B. Participant is to render valuable services to the Company (or a Subsidiary), and this Stock Option Agreement (the "Agreement") is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Company's grant of an option to Participant.

C. Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Plan.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Option**. The Company hereby grants to Participant, an option (the "Option") to purchase certain Shares upon the terms and conditions set forth in this Agreement. The Option has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Plan, as amended to the Grant Date, the provisions of which are incorporated herein by reference.

Participant: _____

Grant Date: _____

Vesting Commencement Date: _____

Exercise Price: $_____ per share

Number of Option Shares: _____

Expiration Date: _____

Type of Option: Non−qualified Stock Option

[Exercise Schedule: CHOOSE EITHER (1) or (2)

(1) The Option shall become exercisable with respect to twenty−five percent (25%) of the Number of Option Shares upon Participant's completion of one (1) year of Service measured from the Vesting Commencement Date and with respect to the balance of the Number of Option Shares in a series of thirty−six (36) successive equal monthly installments upon Participant's completion of each additional month of Service over the thirty−six (36) month period measured from the first anniversary of the Vesting Commencement Date.

(2) The Option shall become exercisable with respect to one forty−eighth ($1/48^{th}$) of the Number of Option Shares upon Participant's completion of each full month of Service measured from the Vesting Commencement Date. In the event of Participant's termination of Service by reason of death, the Option shall become exercisable with respect to an additional Number of Option Shares for which the Option would have become exercisable had Participant remained in Service for an additional period of twelve (12) months. In no event shall the Option become exercisable for any additional Number of Option Shares after Participant's termination of Service.]

In the event of Participant's termination of Service by reason of death, the Option shall become exercisable with respect to an additional Number of Option Shares for which the Option would have become exercisable had Participant remained in Service for an additional period of twelve (12) months. In no event shall the Option become exercisable for any additional Number of Option Shares after Participant's termination of Service.

2. **Option Term**. This Option shall have a maximum term of seven (7) years measured from the Grant Date and shall accordingly expire at the close of business on the Expiration Date, unless sooner terminated in accordance with Section 5 or pursuant to the provisions of the Plan.

3. **Limited Transferability**. During the lifetime of the Participant, the Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. The Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Following the death of the Participant, the Option, to the extent provided in Section 5, may be exercised by the Participant's legal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

4. **Dates of Exercise**. This Option shall become exercisable for the Number of Option Shares in one or more installments in accordance with the Exercise Schedule set forth above. As the Option becomes exercisable for such installments, those installments shall accumulate, and the Option shall remain exercisable for the accumulated installments until the Expiration Date or sooner termination of the Option term under Section 5 or pursuant to the provisions of the Plan.

5. **Termination of Service**. During the limited period of post−employment or post−service exercisability, as set forth below, this Option may not be exercised in the aggregate for more than the Number of Option Shares for which this Option is exercisable at the time of Participant's termination of Service. Upon the expiration of such limited exercise period or (if earlier) upon the Expiration Date, this Option shall terminate and cease to be outstanding for any such Number of Option Shares for which the Option has not otherwise been exercised. However, this Option shall, immediately upon Participant's termination of Service for any reason, terminate and cease to be outstanding to the extent this Option is not otherwise at that time exercisable.

The Option term specified in Section 2 shall terminate (and this Option shall cease to be outstanding) prior to the Expiration Date should any of the following provisions become applicable:

(a) Should Participant's Service terminate or cease for any reason (other than death, Disability, for Good Reason or for Cause) while this Option is outstanding, then Participant (or any person or persons to whom this Option is transferred pursuant to a permitted transfer under Section 3) shall have a thirty (30)−day period measured from the date of such termination or cessation during which to exercise this Option, but in no event shall this Option be exercisable at any time after the Expiration Date.

(b) Should Participant's Service terminate or cease by reason of death while this Option is outstanding, then this Option may be exercised by (i) the personal representative of Participant's estate or (ii) the person or persons to whom the Option is transferred pursuant to Participant's will or the laws of inheritance following Participant's death. Any such right to exercise this Option shall lapse, and this Option shall cease to be outstanding, upon the earlier of (i) the expiration of the twelve (12)−month period measured from the date of Participant's death or (ii) the Expiration Date.

(c) Should Participant's Service terminate or cease by reason of Disability while this Option is outstanding, then Participant (or any person or persons to whom this Option is transferred pursuant to a permitted transfer under Section 3) shall have a twelve (12)−month period measured from the date of such termination during which to exercise this Option. In no event shall this Option be exercisable at any time after the Expiration Date.

(d) Should Participant's Service be terminated or cease for Good Reason while this Option is outstanding, then Participant (or any person or persons to whom this Option is transferred pursuant to a permitted transfer under Section 3) shall have a twelve (12)−month period measured from the date of such termination during which to exercise this Option. In no event shall this Option be exercisable at any time after the Expiration Date.

(e) Should Participant's Service be terminated for Cause, then this Option shall terminate immediately and cease to remain outstanding.

(f) Should Participant's Service terminate or cease (other than termination for Good Reason, Cause or by reason of death or Disability) while this Option is

outstanding, and if Participant is a Section 16 Insider at the time of such termination or cessation of Service, then any such right to exercise this Option shall lapse, and this Option shall cease to be outstanding, upon the earlier of (i) the close of business on the last business day of the seventh month following the date of Participant's termination or cessation of Service or (ii) the Expiration Date.

(g) Notwithstanding the foregoing, if the exercise of this Option within the applicable periods set forth in this Section 5 is prevented by the provisions of Section 9, the Option shall remain exercisable until thirty (30) days after the date the Participant is notified by the Company that the Option is exercisable, but in any event, no later than the Expiration Date.

6. **Adjustment**. In the event of any increase or decrease in the number of issued and outstanding Shares resulting from the declaration or payment of a stock dividend, any recapitalization resulting in a stock split, combination or exchange of shares or other increase or decrease in such Shares without the Company's receipt of consideration, then equitable adjustments shall be made to (i) the total number of shares subject to this Option and (ii) the Exercise Price in such manner as the Committee deems appropriate.

7. **Stockholder Rights**. The Participant shall have no rights as a stockholder with respect to any shares covered by the Option until the date of the issuance of the Shares for which the Option has been exercised (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the Shares are issued, except as provided in Section 6.

8. **Manner of Exercising Option**.

(a) In order to exercise this Option with respect to all or any part of the Number of Option Shares for which this Option is at the time exercisable, Participant (or any other person or persons exercising the Option) must take the following actions:

(i) Execute and deliver by means of electronic or written notice to the Company (or a designated broker acting as agent for the Company) a "Notice of Exercise" (in such form as prescribed by the Company) for the number of Option Shares for which the Option is exercised.

(ii) Pay the aggregate Exercise Price for the purchased shares in one or both of the following forms:

(A) cash or check made payable to the Company; or

(B) through a special sale and remittance procedure pursuant to which Participant (or any other person or persons exercising the Option) shall concurrently provide irrevocable instructions (i) to a brokerage firm (reasonably acceptable to the Company) to effect

the immediate sale of the purchased shares and remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate Exercise Price payable for the purchased shares plus all applicable Taxes (as defined below) and (ii) to the Company to deliver the certificates for the purchased shares directly to such brokerage firm on such settlement date in order to complete the sale.

For purposes of this Agreement, "Taxes" shall mean all applicable income tax, employment tax, payroll tax, social security tax, social insurance, contributions, payment on account obligations, national and local tax or other payments required to be withheld by the Company by reason of exercise of the Option.

Except to the extent the sale and remittance procedure is utilized in connection with the Option exercise, payment of the Exercise Price must accompany the Notice of Exercise (or other notification procedure) delivered to the Company in connection with the Option exercise.

(iii) Furnish to the Company appropriate documentation that the person or persons exercising the Option (if other than Participant) have the right to exercise this Option.

(iv) Make appropriate arrangements with the Company (or Subsidiary employing Participant) for the satisfaction of all applicable Taxes.

(b) As soon as practical after the date of exercise, the Company shall issue to or on behalf of Participant (or any other person or persons exercising this Option) a certificate for the purchased Number of Option Shares, with the appropriate legends affixed thereto.

(c) In no event may this Option be exercised for any fractional shares.

9. **Compliance with Laws and Regulations**.

(a) The exercise of this Option and the issuance of the Number of Option Shares upon such exercise shall be subject to compliance by the Company and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange (or the Nasdaq Global Market, if applicable) on which the Shares may be listed for trading at the time of such exercise and issuance.

(b) The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance and sale of any Shares pursuant to this Option shall relieve the Company of any liability with respect to the non−issuance or sale of the Shares as to which such approval shall not have been obtained.

10. **Successors and Assigns**. Except to the extent otherwise provided in Section 3, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and Participant and the legal representatives, heirs and legatees of Participant's estate.

11. **Construction**. This Agreement and the Option evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Committee with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in this Option.

12. **Governing Law**. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without resort to that State's conflict−of−laws rules.

13. **Excess Shares**. If the Number of Option Shares covered by this Agreement exceed, as of the Grant Date, the number of Shares which may without stockholder approval be issued under the Plan, then this Option shall be void with respect to those excess shares, unless stockholder approval of an amendment sufficiently increasing the number of Shares issuable under the Plan is obtained in accordance with the provisions of the Plan. In no event shall the Option be exercisable with respect to any of the excess Number of Option Shares unless and until such stockholder approval is obtained.

14. **Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e−mail address, if any, provided for the Participant by the Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at such address as such party may designate in writing from time to time.

(a) The Plan documents, which may include but do not necessarily include: the Plan, this Agreement, the prospectus for the Plan, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, the Participant may deliver electronically the Notice of Exercise called for by Section 8(a)(i) to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e−mail or such other means of electronic delivery specified by the Company.

(b) The Participant acknowledges that the Participant has read Section 14 of this Agreement and consents to the electronic delivery of the Plan documents and the delivery of the Exercise Notice, as described in Section 14(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered

electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 14 or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e−mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 14.

15. **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

16. **Employment at Will**. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary employing Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without Cause.

17. **Integrated Agreement.** This Agreement and the Plan, together with any employment, service or other agreement between the Participant and the Company (or Subsidiary) referring to the Option, shall constitute the entire understanding and agreement with respect to the subject matter contained herein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Company (or Subsidiary) with respect to such subject matter. To the extent contemplated herein, the provisions of this Agreement and the Plan shall survive any exercise of the Option and shall remain in full force and effect.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Option is governed by this Agreement and by the provisions of the Plan. Further, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with this Agreement, the Plan and a prospectus for the Plan, (b) accepts the Option subject to all of the terms and conditions of this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under this Agreement or the Plan.

Xilinx, Inc.

Wim Roelandts
Chief Executive Officer

Participant

_____

Attachments:
2007 Equity Incentive Plan, as amended to Grant Date
Plan Summary and Prospectus

XILINX, INC.

RESTRICTED STOCK UNIT ISSUANCE AGREEMENT

RECITALS

A. The Board has adopted the Plan for the purpose of retaining the services of selected Employees, Non−Employee Directors and Consultants.

B. Participant is to render valuable services to the Company (or a Subsidiary), and this Restricted Stock Unit Issuance Agreement (the "Agreement") is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Company's award of restricted stock units to the Participant under the Plan.

C. Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Plan.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Restricted Stock Units**. The Company hereby awards to the Participant, as of the Award Date, Restricted Stock Units pursuant to and shall in all respects be subject to the terms and conditions of the Plan, as amended to the Award Date, the provisions of which are incorporated herein by reference. Each Restricted Stock Unit represents the right to receive one Share on the specified issuance date following the vesting of that unit. The number of Shares subject to the awarded Restricted Stock Units, the applicable vesting schedule for those Shares, the date on which those vested Shares shall become issuable to Participant and the remaining terms and conditions governing the award (the "Award") shall be as set forth in this Agreement.

The Participant is not required to make any monetary payment (other than applicable taxes, if any) as a condition to receiving the Award or Shares issued upon settlement of the Award, the consideration for which shall be past services actually rendered and/or future services to be rendered to the Company (or Subsidiary) or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to the Company (or Subsidiary) or for its benefit having a value not less than the par value of the Shares issued upon settlement of the Award.

AWARD SUMMARY

Participant	_____
Award Date:	_____, 200__
Number of Restricted Stock Units Subject to Award:	_____ (the "RSUs")
Vesting Schedule:	The RSUs shall vest in a series of four (4) successive equal annual installments upon Participant's completion of each successive year of Service over the four (4) year period measured from the Award Date. In the event of Participant's termination of Service by reason of death, Participant shall vest in the additional number of RSUs that would have vested had Participant remained in Service for an additional period of twelve (12) months.
Issuance Schedule:	The RSUs in which Participant vests in accordance with the foregoing Vesting Schedule shall be issued as soon as practicable following the vesting date but in no event later than the close of the calendar year in which such vesting occurs or (if later) the fifteenth (15th) day of the third (3rd) calendar month following such vesting date. The settlement of the RSUs by issuance of the Shares shall be subject to the Company's collection of all applicable Withholding Taxes (as defined below). The procedures pursuant to which the applicable Withholding Taxes are to be collected are set forth in Paragraph 6 of this Agreement. In no event, however, shall any fractional Shares be issued. Accordingly, the total number of Shares to be issued pursuant to the Award shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional Share.

2. **Limited Transferability**. Prior to the issuance of Shares on the applicable settlement date, this Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

3. **Termination of Service**. Should Participant's Service cease or terminate for any reason prior to vesting in one or more RSUs subject to this Award, then the Award will be immediately cancelled with respect to those unvested RSUs, and the number of RSUs will be reduced accordingly. Participant shall thereupon cease to have any right or entitlement to receive any Shares under those cancelled units and shall not be entitled to any payment therefor.

4. **Stockholder Rights**. The Participant shall have no rights as a stockholder with respect to any Shares which may be issued in settlement of this Award until the date of the issuance of a certificate for such Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 5.

5. **Adjustment in Shares**. In the event of any increase or decrease in the number of issued and outstanding Shares resulting from the declaration or payment of a stock dividend, any recapitalization resulting in a stock split−up, or exchange of shares or other increase or decrease in such shares effected without the Company's receipt of consideration, then equitable adjustments shall be made to the total number of Shares issuable pursuant to this Award in such manner as the Committee deems appropriate.

6. **Collection of Withholding Taxes**.

(a) Until such time as the Company provides Participant with written or electronic notice to the contrary, Participant may pay the Withholding Taxes through one of the following methods:

(i) Participant's delivery of his or her separate check payable to the Company in the amount of such taxes,

(ii) the use of the proceeds from a next−day sale of the Shares issued to Participant, provided and only if (A) such a sale is permissible under the Company's trading policies governing the sale of Shares, (B) Participant makes an irrevocable commitment, on or before the issuance date for those Shares, to effect such sale of the Shares and (C) the transaction is not otherwise deemed to constitute a prohibited loan under Section 402 of the Sarbanes−Oxley Act of 2002, or

(iii) an automatic share withholding procedure pursuant to which the Company will withhold, at the time of such issuance, a portion of the Shares with a Fair Market Value (measured as of the issuance date) equal to the amount of those taxes (the "Share Withholding Method"); ***provided, however***, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy the Company's required tax withholding obligations using the minimum statutory withholding rates for federal and state tax purposes that are applicable to supplemental taxable income.

(b) In the event the Company has not received from Participant on or before the issuance of the vested Shares, (A) payment in accordance with Paragraph 6(a)(i) above or (B) an irrevocable commitment to effect a next−day sale of the Shares in accordance with Paragraph 6(a)(ii) above, then the Company shall automatically collect the Withholding Taxes through the Share Withholding Method.

(c) For purposes of this Agreement, "Withholding Taxes" shall mean (i) the employee portion of the federal, state and local employment taxes required to be withheld by the Company in connection with the vesting of the Shares under the Award and (ii) the federal, state and local income taxes required to be withheld by the Company in connection with the issuance of those vested Shares.

7. **Compliance with Laws and Regulations**. The grant of the Award and issuance of Shares upon settlement of the Award shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction or authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

8. **Successors and Assigns**. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and Participant, Participant's assigns and the legal representatives, heirs and legatees of Participant's estate.

9. **Construction**. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Committee with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

10. **Governing Law**. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without resort to that State's conflict−of−laws rules.

11. **Employment at Will**. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without Cause.

12. **Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery

at the e−mail address, if any, provided for the Participant by the Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at such address as such party may designate in writing from time to time.

(a) The Plan documents, which may include but do not necessarily include: the Plan, this Agreement, the prospectus for the Plan, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e−mail or such other means of electronic delivery specified by the Company.

(b) The Participant acknowledges that the Participant has read Section 14 of this Agreement and consents to the electronic delivery of the Plan documents and the delivery of the Exercise Notice, as described in Section 14(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 14 or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e−mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 14.

13. **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

14. **Integrated Agreement.** This Agreement and the Plan, together with any employment, service or other agreement between the Participant and the Company (or Subsidiary) referring to this Award, shall constitute the entire understanding and agreement with respect to the subject matter contained herein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Company (or Subsidiary) with respect to such subject matter. To the extent contemplated herein, the provisions of this Agreement and the Plan shall survive any settlement of this Award and shall remain in full force and effect.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Agreement and by the provisions of the Plan. Further, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with this Agreement, the Plan and a prospectus for the Plan, (b) accepts this Award subject to all of the terms and conditions of this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under this Agreement or the Plan.

Xilinx, Inc.

Wim Roelandts
Chief Executive Officer

Participant

_____

Attachments:
2007 Equity Incentive Plan
Plan Summary and Prospectus

Exhibit 21.1

XILINX, INC.
SUBSIDIARIES OF REGISTRANT

NAME	PLACE OF INCORPORATION OR ORGANIZATION
Xilinx Limited	United Kingdom
Xilinx K.K.	Japan
Xilinx Development Corporation	California, U.S.A.
Xilinx International, Inc.	Colorado, U.S.A.
Xilinx SARL	France
Xilinx GmbH	Germany
Xilinx AB	Sweden
Xilinx Benelux B.V.B.A.	Belgium
Xilinx Holding Two Limited	Ireland
Xilinx Holding Three Ltd.	Cayman Islands
Xilinx Holding Four Limited	Cayman Islands
Xilinx Holding Five Limited	Ireland
Xilinx Holding Six Limited	Cayman Islands
Xilinx Ireland	Ireland
Xilinx Antilles N.V.	Netherlands Antilles
Xilinx Netherlands B.V.	Netherlands
Xilinx Israel Limited	Israel
Xilinx Canada Co.	Canada
Xilinx Asia Pacific Pte. Ltd.	Singapore
AccelChip, Inc.	Delaware, U.S.A.
Xilinx Hong Kong Limited	Hong Kong SAR, China
Xilinx India Technology Services Private Limited	India
Xilinx Technology Shanghai Limited	China

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements (Form S−8 Nos. 333−12339, 33−40562, 33−36706, 33−80075, 33−83036, 33−52184, 33−67808, 333−44233, 333−62897, 333−51510, 333−127318, and 333−140573 and Form S−3 Nos. 333−00054 and 333−51514) of Xilinx, Inc. of our reports dated May 29, 2007, with respect to the consolidated financial statements and schedule of Xilinx, Inc., management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Xilinx, Inc. included in this Annual Report (Form 10−K) for the year ended March 31, 2007.

/s/ Ernst & Young LLP

San Jose, California
May 29, 2007

XILINX, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, Willem P. Roelandts, President, Chief Executive Officer and Chairman of the Board of Directors of Xilinx, Inc. (the "Registrant") certify that:

1. I have reviewed this annual report on Form 10−K of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 30, 2007

/s/ Willem P. Roelandts
_____
Willem P. Roelandts
President, Chief Executive Officer and
Chairman of the Board of Directors

XILINX, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, Jon A. Olson, Senior Vice President, Finance and Chief Financial Officer of Xilinx, Inc. (the "Registrant") certify that:

1. I have reviewed this annual report on Form 10−K of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 30, 2007

/s/ Jon A. Olson
_____
Jon A. Olson
Senior Vice President, Finance
and Chief Financial Officer

Exhibit 32.1

XILINX, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES−OXLEY ACT OF 2002

In connection with the Annual Report of Xilinx, Inc. (the "Company") on Form 10−K for the year ended March 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Willem P. Roelandts, President, Chief Executive Officer and Chairman of the Board of Directors of the Company, certify, pursuant to Title 18, Chapter 63, Section 1350 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 30, 2007

/s/ Willem P. Roelandts
_____
Willem P. Roelandts
President, Chief Executive Officer and
Chairman of the Board of Directors

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Xilinx, Inc. and will be retained by Xilinx, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

XILINX, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES−OXLEY ACT OF 2002

In connection with the Annual Report of Xilinx, Inc. (the "Company") on Form 10−K for the year ended March 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jon A. Olson, Senior Vice President, Finance and Chief Financial Officer of the Company, certify, pursuant to Title 18, Chapter 63, Section 1350 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 30, 2007

/s/ Jon A. Olson
_____
Jon A. Olson
Senior Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Xilinx, Inc. and will be retained by Xilinx, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.