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Note 10. Stockholders' Equity

Preferred Stock

The Company's Certificate of Incorporation authorized 2 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, 2002 and 2001 no preferred shares were issued or outstanding.

Treasury Stock

The Board of Directors has approved stock repurchase programs enabling the Company to repurchase its common stock. We have reissued treasury shares for employee stock option exercises and Employee Qualified Stock Purchase Plan requirements. During fiscal 2002 and 2001, we repurchased a total of 2.2 million and 6.4 million shares of common stock for \$126.2 million and \$402.9 million, respectively. In fiscal 2002 and 2001, 3.5 million and 5.0 million shares were reissued, respectively. As of March 31, 2002, we held 0.04 million shares of treasury stock in conjunction with the stock repurchase program.

Put Options

During fiscal 2002 and 2001, we sold put options that entitle the holder of each option to sell to us, by physical delivery, one share of common stock at specified prices. The cash proceeds from the sale of put options of \$3.0 million and \$22.2 million for fiscal 2002 and 2001, respectively, have been included in additional paid-in capital following the provisions of Emerging Issues Task Force Issue No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock." As of March 31, 2002, 0.3 million shares of common stock were subject to future issuance under outstanding put options with expiration dates through August 2002, with strike prices ranging from \$40 to \$45 per share.

Performance Equity-linked Redemption Quarterly-pay Securities (PEROS)

During fiscal 2002 and 2001, we purchased \$5.5 million and \$1.1 million, respectively, of Performance Equity-linked Redemption Quarterly-pay Securities (PEROS). The securities pay 9% interest per year and mature on December 30, 2002. At maturity, the PEROS will be converted into shares of Xilinx common stock. The exchange ratio will be one-fifth of a share of Xilinx common stock for each PEROS. As of March 31, 2002, the Company held 0.63 million PEROS. The total cost of the PEROS of \$6.6 million and \$1.1 million as of March 31, 2002 and 2001, respectively, is included in treasury stock on the balance sheet.

Stockholder Rights Plan

In October 1991, we adopted a stockholder rights plan (which expired on October 4, 2001) and declared a dividend distribution of one preferred stock purchase right for each outstanding share of common stock. The rights would have become exercisable based upon the occurrence of certain conditions including acquisitions of Company stock. In the event one of the conditions was triggered, each right entitled the registered holder to purchase a number of shares of preferred stock of the Company or, under limited circumstances, of the acquirer. The rights were redeemable at the Company's option, under certain conditions, for \$.01 per right.

Employee Stock Option Plans

Under existing stock option plans (Option Plans), options reserved for future issuance to employees and directors of the Company total 71.1 million shares as of March 31, 2002. Options to purchase shares of our 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 our Option Plans activity, and related information are as follows:

YEARS ENDED MARCH 31,	2002		2001		2000	
	SHARES (000)	WEIGHTED AVERAGE EXERCISE PRICE	SHARES (000)	WEIGHTED AVERAGE EXERCISE PRICE	SHARES (000)	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at beginning of year	54,425	\$19.98	55,333	\$12.19	63,158	\$ 9.50
Granted	9,804	35.34	7,814	63.51	4,149	37.24
Exercised	(6,359)	9.10	(8,008)	7.41	(10,997)	6.03
Forfeited	(1,101)	40.80	(714)	33.26	(977)	13.74
Outstanding at end of year	56,769	\$23.45	54,425	\$19.98	55,333	\$12.19
Shares available for grant	15,160		23,862		17,153	

The above table does not include additional shares which become available under a formula set forth in the stockholder approved 1997 Stock Plan. That formula provides that on the first day of each fiscal year, an additional number of shares become available for

issuance equal to the lesser of 20 million shares or 4% of the number of shares outstanding as of the end of the prior fiscal year, as adjusted with respect to shares repurchased by the Company during the year and as adjusted for splits, stock dividends and certain other changes to the outstanding capital stock of the Company.

The following information relates to options outstanding and exercisable under the Option Plans at March 31, 2002:

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE		
	OPTIONS OUTSTANDING (000)	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS EXERCISABLE (000)	WEIGHTED AVERAGE EXERCISE PRICE	
\$ 0.57 - \$ 5.43	5,686	2.18	\$ 3.83	5,685	\$ 3.83	
\$ 5.62 - \$ 8.25	7,346	3.77	\$ 7.64	7,306	\$ 7.65	
\$ 8.31 - \$ 9.97	9,285	5.66	\$ 9.58	8,984	\$ 9.58	
\$ 9.98 - \$14.22	7,519	5.15	\$11.95	7,386	\$11.97	
\$14.50 - \$18.78	1,268	6.91	\$17.83	806	\$17.66	
\$19.27 - \$21.81	6,188	7.00	\$21.67	4,448	\$21.67	
\$23.53 - \$33.13	5,971	8.82	\$32.18	1,638	\$31.10	
\$33.19 - \$41.40	6,611	8.87	\$37.70	1,751	\$36.96	
\$41.55 - \$77.63	5,853	8.26	\$65.53	2,475	\$67.50	
\$79.69 - \$96.63	1,042	8.31	\$89.03	442	\$89.27	
\$ 0.57 - \$96.63	56,769	6.20	\$23.45	40,921	\$16.74	

At March 31, 2001, 37.5 million options were exercisable at an average price of \$11.94. At March 31, 2000, 33.6 million options were exercisable at an average price of \$8.37.

Employee Qualified Stock Purchase Plan

Under our 1990 Employee Qualified Stock Purchase Plan (Stock Purchase Plan), qualified employees can elect to have up to 15 percent of their annual earnings withheld, up to a maximum of \$21,250, to purchase our common stock at the end of six-month enrollment periods. The purchase price of the stock is 85% of the lower of the fair market value at the beginning of the twenty-four month offering period or at the end of each six-month purchase period. Almost all employees are eligible to participate. Under this plan, 0.7 million and 1.4 million shares were issued during 2002 and 2001, respectively, and 7.3 million shares were available for future issuance at March 31, 2002.

Stock-Based Compensation

As permitted under SFAS No. 123, "Accounting for Stock-Based Compensation", we have elected to continue to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) and related interpretations in accounting for our stock-based awards to employees. Under APB 25, the Company generally recognizes no compensation expense with respect to such awards.

Pro forma information regarding net income (loss) and earnings (loss) per share is required by SFAS 123 and has been determined as if we had accounted for awards to employees under the fair value method of SFAS 123. The fair value of stock options and stock purchase plan rights under the Option Plans and Stock Purchase Plan was estimated as of the grant date using the Black-Scholes option pricing model. The Black-Scholes model was originally developed for use in estimating the fair value of traded options and requires the input of highly subjective assumptions including expected stock price volatility. Our stock options and stock purchase plan rights have characteristics significantly different from those of traded options, and changes in the subjective input assumptions can materially affect the fair value estimate. The fair value of stock options and stock purchase plan rights granted in fiscal years 2002, 2001 and 2000 were estimated at the date of grant assuming no expected dividends and the following weighted average assumptions.

YEARS ENDED MARCH 31,	STOCK OPTIONS			STOCK PURCHASE PLAN RIGHTS		
	2002	2001	2000	2002	2001	2000
Expected life (years)	3.50	3.50	3.50	0.50	0.50	0.50
Expected stock price volatility	0.76	0.71	0.65	0.95	0.79	0.67
Risk-free interest rate	3.8%	5.9%	5.8%	3.3%	5.6%	5.3%

For purposes of pro forma disclosures, the estimated fair value of stock-based awards is amortized against pro forma net income over the stock-based awards' vesting period. Had we accounted for stock-based awards to employees under SFAS 123, our net income (loss) would have been \$(227.9) million, \$(100.2) million, and \$560.3 million in 2002, 2001, and 2000, respectively. Basic net income (loss) per share would have been \$(0.68), \$(0.31), and \$1.73 in 2002, 2001, and 2000, respectively, while diluted net income (loss) per share would have been \$(0.68), \$(0.31), and \$1.60, respectively.

Calculated under SFAS 123, the weighted-average fair value of the stock options granted during 2002, 2001, and 2000 was \$19.22, \$37.91, and \$18.87 per share, respectively. The weighted-average fair value of stock purchase rights granted under the Stock Purchase Plan during 2002, 2001, and 2000 were \$16.13, \$27.31, and \$18.19 per share, respectively.

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