

The Programmable Logic Market Grew Significantly in 1999.

...and the year 2000 promises to bring even faster growth, with many new applications, because our technology has passed a key milestone.

by Wim Roelandts, President and CEO, Xilinx

Programmable logic technology has made many significant advances over the last year, and is well on its way to becoming the development technology of choice for most applications.



Xilinx is growing very quickly as a result. Here are some of the highlights of our phenomenal growth in 1999:

- The Xilinx stock split twice, once in March and once in December. This helped give us a market capitalization of about \$14.5 billion, making us second only to Intel among semiconductor suppliers here in Silicon Valley. This gives us an increased ability to fund new research and bring advanced new technologies to market.
- Xilinx was placed on the Merrill Lynch "Top 10 Tech" list (replacing Intel), indicating their highest confidence in our continued strength, and in the growth potential of the overall programmable logic market.
- Xilinx was added to the S&P 500 index, another indication of the market's confidence in our ongoing strength.
- We built a new 180,000 sq. ft. building on our San Jose campus to handle our recent growth, and began the development of a new 130,000 sq. ft. facility in Longmont Colorado. Groundbreaking is scheduled for March 2000.
- We expect our revenues to approach \$1 billion by the end of our fiscal year (March 2000), 50% higher than last year.

It was a very good year for Xilinx; our investments in new device and software technologies have paid huge dividends, and our products have consistently extended the previous limits of density and performance while significantly reducing prices.

FPGAs were once used primarily in high-end, low-volume equipment which consists of about 25% of the total marketplace. This was due in part to the relatively high cost of FPGAs (as compared to custom devices). To serve the other 75% of the marketplace, our research showed us that we would need to produce high-performance, full-featured FPGAs with at least 100K gates, and sell those devices, in volume, for less than \$10.00. With the introduction of our new Spartan-II family, that's exactly what we've done. This is a significant milestone that will bring many unique new applications.

The growth of the programmable logic marketplace is important to you because these devices allow you to get your products to market six to nine months faster than with ASICs, and they allow you to upgrade your equipment over any network after it's installed at your customers' locations. We here at Xilinx will continue our innovation and this will lead to higher densities, higher performance, more features, a wider selection of intellectual property (cores), and lower prices. We intend to keep making your job easier while adding value to your products. **Σ**