XILINX

Convertible Note FAQ

In June 2010, we issued $600 million principal amount of 2.625% Senior Convertible Notes (Notes) due in June 2017 ("2010 Notes"). Concurrent with the issuance of the 2010 Notes, we entered into transactions designed to mitigate or eliminate the potential dilution from the Notes and also to offset the cost of doing so.

The three associated elements of the Notes are:

- Convertible Bond
- Bond hedge (call option) purchased to effectively offset the economic dilution from the convertible bond and
- Warrants we sold to offset the cost of the bond hedge.

Accounting and Economic impact

- Accounting principles require us to reflect the dilution from the convertible bond and warrants
- Accounting principles do not allow us to reflect the offsetting benefit from the call option
- As our share price rises, the dilution from both the convertible bond and the warrant increases
- From an economic perspective, the bond hedge perfectly offsets the dilution from the convertible bond. After conversion, there will be net zero dilution
- There will remain, however, dilution from the warrant as it is a separate instrument with a higher strike price and is not hedged.

Conversion of Notes

In the March quarter we had $142M of conversions of the 2010 Notes. This impacted us as follows: First, we paid the principal value of the 2010 Notes ($142M). We then simultaneously issued to the 2010 Notes holders Xilinx shares in excess of the principal value and received from our counterparties the same amount of shares by exercising our bond hedge. The final number of shares is based on an average stock price over 30 days. In the June 2017 quarter, the remainder of the 2010 Notes matured and we paid the remaining principal value of $458M. We also simultaneously issued shares to the 2010 Notes holders and received from our counterparties the same amount of shares from our bond hedge.

The convertible note itself had no impact on shares in the quarter ended September 30, 2017 as the note was completely settled in mid-June.

Outstanding Warrants:

Our warrants continue to be outstanding and will expire and settle on a gradual basis through November 2017. Once the warrants are settled, we will issue common shares and include them in our basic shares calculation as well on a weighted-average basis. There won't be any impact to diluted share count when warrants are settled.

Some of the warrants were exercised during the quarter ended September 30, 2017 and we issued 2.2 million shares of its common stock as part of the settlement, increasing the unweighted basic shares by the same amount. During the same quarter, our diluted share count included the impact of 7.6 million shares from the outstanding warrants. Calculation of 7.6 million shares is based on a methodology dictated by US GAAP. The calculation incorporates the share price premium over strike price of the warrants, timing of warrant settlement (which impacts the average number of shares within the quarter), and the volume weighted average price of shares for a certain period preceding quarter end.

The table below illustrates the potential impact to the diluted shares associated with the warrants at various price points:

Stock Price	Shares dilution from outstanding warrants	Shares issued from warrants settled in Q2 FY 18	Total dilution from warrants
$ 65.00	6,027,000	2,189,000	8,216,000
$ 66.00	6,176,000	2,189,000	8,365,000
$ 67.00	6,320,000	2,189,000	8,509,000
$ 68.00	6,460,000	2,189,000	8,649,000
$ 69.00	6,596,000	2,189,000	8,785,000
$ 70.00	6,728,000	2,189,000	8,917,000
$ 71.00	6,856,000	2,189,000	9,045,000
$ 72.00	6,981,000	2,189,000	9,170,000
$ 73.00	7,102,000	2,189,000	9,291,000
$ 74.00	7,220,000	2,189,000	9,409,000
$ 75.00	7,335,000	2,189,000	9,524,000

$	76.00	7,447,000	2,189,000	9,636,000
$	77.00	7,556,000	2,189,000	9,745,000
$	78.00	7,662,000	2,189,000	9,851,000
$	79.00	7,766,000	2,189,000	9,955,000
$	80.00	7,867,000	2,189,000	10,056,000