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XILINX INC

FORM 10-K
(Annual Report)

Filed 05/15/17 for the Period Ending 04/01/17

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CIK	0000743988
Symbol	XLNX
SIC Code	3674 - Semiconductors and Related Devices
Industry	Semiconductors
Sector	Technology
Fiscal Year	04/01

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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 April 1, 2017

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

Commission File Number 000-18548

Xilinx, Inc.

(Exact name of registrant as specified in its charter)

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

(Registrant's telephone number, including area code) **(408) 559-7778**
Securities registered pursuant to Section 12(b) of the Act:

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☑ 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 filing requirements for the past 90 days. YES ☑ NO ☐

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

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

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

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐
Smaller reporting company ☐	Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 registrant's common stock on October 1, 2016 as reported on the NASDAQ Global Select Market was approximately $10,876,652,000 . Shares of common stock held by each executive officer and director and by each person who owns 5% or more of the outstanding common stock have been excluded in that such persons may be deemed affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of April 21, 2017 , the registrant had approximately 248,050,000 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, 2017 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 April 1, 2017
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PART I

FORWARD-LOOKING STATEMENTS

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

ITEM 1. BUSINESS

Xilinx, Inc. (Xilinx, the Company or we) designs and develops programmable devices and associated technologies, including:

- integrated circuits (ICs) in the form of programmable logic devices (PLDs), including programmable System on Chips (SoCs) and three-dimensional ICs (3D ICs);
- software design tools to program the PLDs;
- software development environments and embedded platforms;
- targeted reference designs;
- printed circuit boards; and
- intellectual property (IP), which consists of Xilinx and various third-party verification and IP cores.

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

Our PLDs include field programmable gate arrays (FPGAs), complex programmable logic devices (CPLDs) that our customers program to perform desired logic functions, and programmable SoCs, which combine industry standard ARM processor-based systems with programmable logic in a single device. We also design and develop 3D ICs, which consist of a combination of FPGAs, transceivers and a wide memory interface in a single package to exceed the capacity and bandwidth of monolithic devices. Our product portfolio is designed to provide high integration and quick time-to-market for electronic equipment manufacturers in sub-segments such as wireline and data center, wireless, aerospace and defense, test and measurement, industrial, scientific and medical, automotive, audio, video and broadcast and consumer.

We sell our products and services through independent domestic and foreign distributors and through direct sales to original equipment manufacturers (OEMs) and electronic manufacturing service providers (EMS). Sales are generated by these independent distributors, independent sales representative or our direct sales organization.

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

Industry Overview

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

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

- Faster time-to-market and increased design flexibility. Both of these advantages are enabled by Xilinx desktop software which allows users to implement and revise their designs quickly. In contrast, ASICs and ASSPs require significant development time and offer limited, if any, flexibility to make design changes.
- PLDs are standard components. This means that the same device can be sold to many different users for a myriad of applications. In sharp contrast, ASICs and ASSPs are customized for an individual user or a specific application.

PLDs are generally disadvantaged in terms of relative device size when compared to chips that are designed to perform a fixed function in a single or small set of applications. ASICs and ASSPs tend to be smaller than PLDs performing the same fixed function, resulting in a lower unit cost. However, there is a high fixed cost associated with ASIC and ASSP development that is not applicable to PLD customers. This fixed cost of ASIC and ASSP development is expected to significantly increase on next generation technology nodes. From a total cost of development perspective, ASICs and ASSPs have generally been more cost effective when used in high-volume production, and PLDs have generally been more cost effective when used in low- to mid-volume production. However, we expect PLDs to be able to address higher volume applications and gain market share from ASIC and ASSP suppliers as the fixed cost of ASIC and ASSP development increases on next generation technology nodes.

An overview of typical PLD end market applications for our products is shown in the following table:

End Markets	Sub-Segments	Applications
Communications & Data Center	Wireless	• 3G/4G/5G Base Stations • Wireless Backhaul
	Wireline and Data Center	• Enterprise Routers and Switches • Metro Optical Networks • Data Centers • High Performance Computing
Industrial, Aerospace & Defense	Industrial, Scientific and Medical	• Factory Automation • Medical Imaging • Machine Vision • Augmented Reality
	Test and Measurement	• Semiconductor Test and Measurement Equipment • ASIC Emulation and Prototyping
	Aerospace and Defense	• Secure Communications • Avionics • Electronic Warfare and Surveillance
Broadcast, Consumer & Automotive	Consumer	• Digital Televisions • Multifunction Printers
	Automotive	• Driver Assistance Systems • Driver Information Systems • Infotainment Systems
	Audio, Video and Broadcast	• Post Production Equipment • Broadcast Cameras

Strategy and Competition

Our strategy for growth is the displacement of ASICs and ASSPs in the development of next generation electronic systems. The costs and risks associated with application-specific devices can only be justified for high-volume or highly-specialized commodity products. Programmable platforms, alternatively, are becoming critical for our customers to meet increasingly stringent product requirements - cost, power, performance and density - in a business environment characterized by increased complexity, shrinking market windows, rapidly changing market demands, capped engineering budgets, escalating ASIC and ASSP engineering costs and increased economic and development risk.

With every new generation of FPGAs, our strategy is to increase the performance, density and system-level functionality and integration, while driving down cost and power consumption at each manufacturing process node. This enables us to provide simpler, smarter programmable platforms and design methodologies allowing our customers to focus on innovation and differentiation of their products.

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 continued competition from our primary PLD competitors such as Intel Corporation (Intel), Lattice Semiconductor Corporation (Lattice) and Microsemi Corporation (Microsemi), and from ASSP vendors such as Broadcom Corporation (Broadcom), Marvell Technology Group, Ltd. (Marvell) and Texas Instruments Incorporated (Texas Instruments), as well as from companies such as NVIDIA with whom we traditionally have not participated in competing markets. In addition, we expect continued competition from the ASIC market, which has been ongoing since the inception of FPGAs. Other competitors include manufacturers of:

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

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

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

Silicon Product Overview

A brief overview of the silicon product offerings is listed in the table below. These products comprise the majority of our revenues. Additionally, some of our more mature product families have been excluded from the table, although they continue to generate revenues. We operate and track our results in one operating segment for financial reporting purposes.

Product Families

PLDs	Date Introduced
Virtex UltraScale+	January 2016
Kintex UltraScale+	December 2015
Zynq UltraScale+	September 2015
Virtex UltraScale	May 2014
Kintex UltraScale	November 2013
Zynq-7000	March 2011
Virtex-7	June 2010
Kintex-7	June 2010
Artix-7	June 2010
Virtex-6	February 2009
Spartan-6	February 2009
Virtex-5	May 2006

See information under the caption "Results of Operations - Net Revenues" in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" for information about our revenues from our product families. See also "Note 15. Segment Information" to our consolidated financial statements included in Item 8. "Financial Information and Supplementary Data" for information regarding segments.

UltraScale+ Product Families

The UltraScale+ portfolio consists of three product families, and is manufactured using Taiwan Semiconductor Manufacturing Company Limited's (TSMC) 16 nanometer (nm) FinFET+ process. The UltraScale+ portfolio includes FPGAs, 3D IC technology, and Multi- Processing System on a Chip (MPSoCs) products, combining new memory, 3D on 3D and multiprocessing SoC technologies.

- The Zynq UltraScale+ product family represents the Company's second generation Programmable SoC family. This new family combines seven user programmable processors cores including a 64-bit quad-core ARM Cortex A53 Application Processing Unit, a 32-bit dual-core ARM Cortex R5 Real Time Processing Unit, and an ARM Mali 400 Graphics Processing Unit. These devices enable the development of next generation embedded vision, automotive, industrial Internet of things (IoT) and communication systems by providing significant increases in system level performance/watt and any-to-any connectivity with the security and safety required for next generation systems.
- Kintex UltraScale+ devices provide a strong price/performance watt balance in a FinFET node, delivering a very cost-effective solution for high-end capabilities including transceiver and memory interface line rates, as well as 100G connectivity cores. These devices are ideal for both packet processing and DSP-intensive functions, and are well suited for applications ranging from wireless technology to high-speed wired networking and data center.
- Virtex UltraScale+ devices, which include industry-leading capabilities such as 32G Transceivers, Peripheral Component Interconnect Express (PCIe) Gen 4 integrated cores, and UltraRam on-chip memory technology, provide the required performance and integration needed for next generation data center, 400G and terabit wireline, test and measurement, and aerospace and defense applications.

UltraScale Product Families

These devices deliver an ASIC-class advantage, based on the UltraScale architecture and utilizing TSMC's 20SoC gate density process. These devices deliver next generation routing, ASIC-like clocking, and enhancements to logic and fabric to eliminate interconnect bottlenecks while supporting consistent device utilization.

- Kintex UltraScale FPGAs represent the Company's second generation mid-range FPGA family. These devices offer high price-performance at the lowest power. Kintex UltraScale devices are designed to meet the requirements for the growing number of key applications including next generation wireline and wireless communications and ultra-high definition displays and equipment.
- Virtex UltraScale devices provide advanced levels of performance, system integration and bandwidth on a single chip. The largest family member delivers 4.4M logic cells, more than doubling Xilinx's industry's highest capacity device and delivering 50M equivalent ASIC gates. Virtex UltraScale devices are expected to be used in the industry's most challenging applications including: 400G communication applications, high performance computing, surveillance and reconnaissance systems, and ASIC emulation and prototyping.

28nm Product Families

The 28nm product families are fabricated on a high-K metal gate, high performance and low power 28nm process technology. These product families are based on a scalable and optimized architecture, which enables design, IP portability and re-use across all families as well as provides designers the ability to achieve the appropriate combination of I/O support, performance, feature quantities, packaging and power consumption to address a wide range of applications. The 28nm product families include:

- Virtex-7 FPGAs, including 3D ICs, are optimized for applications requiring the highest capacity, performance, DSP and serial connectivity with transceivers operating up to 28G. Target applications include 400G and 100G line cards, high-performance computing and test and measurement applications.
- Kintex-7 FPGAs represent Xilinx's first mid-range FPGA family. These devices maximize price-performance and performance per watt. Target applications include wireless LTE infrastructure, video display technology and medical imaging.
- Artix-7 FPGAs offer the lowest power and system cost at higher performance than alternative high volume FPGAs. These devices are targeted to high volume applications such as handheld portable ultrasound devices, multi-function printers and software defined radios.
- The Zynq-7000 family is the first family of Xilinx programmable SoCs. This new class of product combines an industry-standard ARM dual-core Cortex-A9 MPCore processing system with Xilinx 28nm architecture. There are five devices in the Zynq-7000 SoC family that allow designers to target cost sensitive as well as high-performance applications from a single platform using industry-standard tools. These devices are designed to enable incremental market opportunities in applications such as industrial motor control, driver assistance and smart surveillance systems, and smart heterogeneous wireless networks.
- Spartan-7 FPGAs offer the best performance and power consumption in their class, along with small form factor packaging to meet the most stringent requirements. These devices are ideally suited for industrial, consumer, and automotive applications including any-to-any connectivity, sensor fusion, and embedded vision.

40nm and 45nm Product Families

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

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

Other Product Families

Prior generation Virtex families include Virtex-5, Virtex-4, Virtex-II Pro, Virtex-II and the original Virtex family. Spartan family FPGAs include Spartan-3 FPGAs, the Spartan-3E family and the Spartan-3A family. Prior generation Spartan families include Spartan-IIE, Spartan-II, Spartan XL and the original Spartan family.

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

EasyPath FPGAs

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

Design Platforms and Services

Programmable Platforms

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

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

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

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

Design Tools

To accommodate the various design methodologies and design flows employed by the wide range of our customers' user profiles such as system designers, algorithm designers, software coders and logic designers, we provide the appropriate design environment tailored to each user profile for design creation, design implementation and design verification. In April 2012, Xilinx introduced the next-generation Vivado Design Suite designed to improve developer productivity resulting in faster design integration and implementation. The Vivado Design Suite hallmarks include an easy-to-use IP-centric design flow and significant improvement in run times. The standards-based Vivado tools include high-level synthesis to provide a more direct flow in retargeting DSPs and general purpose processor designs into our FPGAs, IP Integrator to rapidly stitch together cores at higher levels of abstraction, and a new analytical place-and-route engine which significantly improves run times. The Vivado Design Suite supports Xilinx 7 series FPGAs and Zynq-7000, our programmable SoCs, as well as the Ultrascale and Ultrascale+ product generations.

The previous generation tool suite, the ISE Design Suite, supports Xilinx 7 series FPGAs, programmable SoCs and all previous generation FPGAs, enabling customers to transition to the Vivado Design Suite when the timing is right for their design needs. Both the Vivado Design Suite and ISE Design Suite operate with a wide range of third-party Electronic Design Automation software point-tools offerings.

In early 2015, Xilinx also introduced the SDx development environment, which has significantly expanded the Xilinx user base to include the broad community of systems and software engineers in both existing and new markets. This innovative development environment also enables end user and third party platform developers to rapidly define, integrate and verify system level solutions and provide their end customers with a customized programming environment. The SDx family includes the SDNet environment, which enables the easy creation of high-performance packet processing systems with high level user defined specifications and compilation to highly optimized FPGAs; the SDAccel environment for OpenCL, C and C++ software designers focusing on data center acceleration applications; and the SDSoC environment for All Programmable SoCs and MPSoCs.

Intellectual Property

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

Development Boards, Kits and Configuration Products

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

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

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

Third-Party Alliances

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

In May of 2016, Xilinx led the formation of the very broad Cache Coherent Interconnect Acceleration (CCIX) consortium with the singular goal of bringing a high performance, open acceleration framework to the data center market. As of March of 2017, this consortium had approximately 30 members, ranging from silicon providers to a rich ecosystem of partners including design, verification, software and system vendors.

Engineering Services

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

Research and Development

Our research and development (R&D) activities are primarily directed towards the design of new ICs and the development of new software design automation tools for hardware and embedded software, the design of logic IP, the adoption of advanced semiconductor manufacturing processes for ongoing cost reductions, performance and signal integrity improvements and lowering PLD power consumption.

As a result of our R&D efforts, we have introduced a number of new products during the past several years including the Virtex, Kintex and Zynq UltraScale+, Virtex & Kintex UltraScale and Artix, Kintex, Virtex & Zynq 7 Series program families. We have enhanced our IP core offerings and introduced our next generation software design suite (Vivado) optimized for SDSoC, SDAccel and SDNet application development. Through process technology collaboration with our foundry suppliers along with strategic investment in EDA tools and improved design techniques, we have been the first PLD Company to ship 45nm high-volume, 28nm, 20nm and 16nm FPGA devices. Additionally, our investment in R&D has allowed us to ship the industry's first 28nm and 16nm devices with embedded ARM technology as well as the industry's first 3D IC devices on the 28nm and 20nm process nodes.

We believe technical leadership and innovation are essential to our future success, and we continue to invest in our technology. In fiscal 2017 , 2016 and 2015 , our R&D expenses were $601.4 million , $533.9 million and $525.7 million , respectively.

Sales and Distribution

We sell our products to OEMs, EMS and to electronic components distributors who resell these products to OEMs and EMS.

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

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

In accordance with our distribution agreements and industry practice, we have granted our authorized distributors the contractual right to return certain amounts of unsold product on a periodic basis and also receive price adjustments for unsold product in the case of a change in list prices subsequent to the initial sale. Revenue recognition on shipments to distributors worldwide is deferred until the products are sold to the distributors' end customers.

Avnet, Inc. (Avnet) distributes the substantial majority of our products worldwide. As of April 1, 2017 and April 2, 2016 , Avnet accounted for 59% and 75% , respectively, of our total net accounts receivable. Resale of product through Avnet accounted for 44% , 50% and 43% of our worldwide net revenues in fiscal 2017 , 2016 and 2015 , respectively. We also use other regional distributors throughout the world. We believe distributors provide a cost-effective means of reaching a broad range of customers while providing efficient logistics services. Since PLDs are standard products, they do not carry many of the inventory risks posed by ASICs. From time to time, we may add or terminate distributors in specific geographies, or move customers to a direct support or fulfillment model as we deem appropriate given our strategies, the level of distributor business activity and distributor performance and financial condition. See "Note 2. Summary of Significant Accounting Policies and Concentrations of Risk" to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for information about concentrations of credit risk and "Note 15. Segment Information" for information about our revenues from external customers and domestic and international operations.

No end customer accounted for more than 10% of our net revenues in fiscal 2017 , 2016 or 2015 .

Backlog

As of April 1, 2017 , our backlog from OEM customers and backlog from end customers reported by our distributors scheduled for delivery within the next three months was $356.0 million, compared to $289.0 million as of April 2, 2016 . Orders from end customers to our distributors are subject to changes in delivery schedules or to cancellation without significant penalty. As a result, backlog from both OEM customers and end customers reported by our distributors as of any particular period may not be a reliable indicator of revenue for any future period.

Wafer Fabrication

As a fabless semiconductor company, we do not manufacture wafers used for our IC products or PROMs. Rather, we purchase our wafers from independent foundries including TSMC, United Microelectronics Corporation (UMC) and Samsung Electronics Co., Ltd. (Samsung). TSMC manufactures the wafers for our newest products.

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

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

Sort, Assembly and Test

Wafers are sorted by the foundry or independent sort subcontractors. Sorted die are assembled by subcontractors. During the assembly process, the wafers are separated into individual die, which are then assembled into various package types. Following assembly, the packaged units are generally tested by independent test subcontractors or by Xilinx personnel. We purchase most of our assembly services from Siliconware Precision Industries Ltd. and most of our test services from King Yuan Electronics Company in Taiwan.

Quality Certification

Xilinx has achieved and currently maintains quality management system certification to TL9000/ISO9001 for our facilities in San Jose, California; Longmont, Colorado; Singapore; and Hyderabad, India. In addition, Xilinx achieved and currently maintains ISO 14001 and OHSAS 18001 environmental health and safety management system certifications in the San Jose and Singapore locations.

Intellectual Property and Licenses

While our various proprietary intellectual property rights (including patents, copyrights, trade secrets, and trademarks) are important to our success, we believe our business as a whole is not materially dependent on any particular patent or license, or any particular group of patents or licenses. As of April 1, 2017 , we held over 4,000 issued patents, which vary in duration, and over 500 pending patent applications relating to our proprietary technology in various jurisdictions around the world. We maintain an active program of filing for additional patents in the areas of, but not limited to, circuits, software, IC architecture, IP cores, system design, testing methodologies and other technologies relating to our products and business. We licensed portions of our patent portfolio to certain external parties and obtained patent licenses from certain third-parties as well.

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

We maintain the Xilinx trade name and trademarks, including the following trademarks that are registered in the U.S. and other countries: Xilinx, the Xilinx logo, Artix, CoolRunner, ISE, Kintex, Spartan, Virtex, Vivado, and Zynq. Maintaining these trademarks, and the goodwill associated with them, is important to our business. We have also obtained the rights to use certain trademarks owned by consortiums and other trademark owners that are related to our products and business.

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

Corporate Responsibility

Xilinx places a high level of importance on corporate responsibility. Through senior-level sponsorship, regular environmental, health and safety assessments and company-wide performance targets, we strive to achieve a culture that emphasizes contribution to local and global communities through a number of key initiatives:

Company

We strive to meet or exceed industry and regulatory standards for ethical business practices, product responsibility, and supplier management. All of Xilinx's directors, officers and employees are required to comply not only with the letter of the laws, rules and regulations that govern the conduct of our business, but also with the spirit of those laws.

Environment

We continually monitor regulatory requirement and resource trends in order to identify, manage and control activities that have an environmental impact. We focus on the conservations of energy and natural resource, reducing the solid and chemical waste of our operations, avoiding and preventing pollution and minimizing our overall environmental impact with regards to the communities around us and consistent with global climate change efforts.

Community

We are committed to growing strategic relationships with a wide range of local organizations and programs that are designed to develop and strengthen communities located around the world. Xilinx develops local community relationships at key sites through funding and involvement that encourages active participation, teamwork, and volunteerism. Xilinx supports opportunities initiated by its employees and that involve participation and empowerment of its employees. We are committed to charitable giving programs that work towards systemic change and measurable results.

Workplace

We provide a safe and healthy work environment for all employees. Employee diversity and inclusion are embraced and opportunities for training, growth, and advancement are strongly encouraged. The Xilinx Code of Social Responsibility outlines standards to ensure that working conditions at Xilinx are safe and that workers are treated with respect, fairness and dignity.

Employees

As of April 1, 2017 , we had 3,831 employees compared to 3,458 as of the end of the prior fiscal year. None of our employees are represented by a labor union. We have not experienced any work stoppages and believe we maintain good employee relations.

Executive Officers of the Registrant

Certain information regarding the executive officers and persons chosen to become executive officers of Xilinx as of May 15, 2017 is set forth below:

Name	Age	Position
Moshe N. Gavrielov	62	President and Chief Executive Officer (CEO)
Lorenzo A. Flores	52	Senior Vice President and Chief Financial Officer (CFO)
Steven L. Glaser	55	Senior Vice President, Corporate Strategy and Marketing
Scott R. Hover-Smoot	62	Senior Vice President, General Counsel and Secretary
Victor Peng	57	Chief Operating Officer
Krishna Rangasayee	48	Executive Vice President of Global Sales
Vincent L. Tong	55	Executive Vice President, Global Operations and Quality

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

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

Lorenzo A. Flores joined the Company in September 2008 and currently serves as Senior Vice President and CFO, a position he has held since May 2016. From July 2012 to May 2016, Mr. Flores served as Corporate Vice President of Finance and Corporate Controller. From September 2008 to June 2012 he served as Vice President of Finance and Corporate Controller. Prior to joining the Company, Mr. Flores was Assistant Vice President of Financial Planning and Analysis at Cognizant Technology Solutions, served as CFO of a venture funded startup, and spent ten years at Intel Corporation, a semiconductor chip maker, serving in a variety of positions, including Controller, Intel Architecture CPUs and Controller, Telecommunications and Embedded Group.

Steven L. Glaser joined the Company in January 2011 and currently serves as Senior Vice President, Corporate Strategy and Marketing, a position he has held since April 2012. From January 2011 to April 2012, he served as Corporate Vice President, Strategic Planning. Prior to joining the Company, Mr. Glaser held various senior positions in Cadence Design Systems between April 2005 and January 2011, including Corporate Vice President of Strategic Development and Corporate Vice President of Marketing for the Verification Division. From June 2003 to April 2005, he served as Senior Vice President of Marketing at Verisity Ltd. Prior to that, Mr. Glaser held various senior business and technical positions at companies in the semiconductor and electronic design automation industries.

Scott R. Hover-Smoot joined the Company in October 2007 and currently serves as Senior Vice President, General Counsel and Secretary, a position he has held since May 2014. From October 2007 to May 2014, Mr. Hover-Smoot served as Corporate Vice President, General Counsel and Secretary. From November 2001 to October 2007, Mr. Hover-Smoot served as Regional Counsel and Director of Legal Operations with TSMC, an independent semiconductor foundry. He served as Vice President and General Counsel of California Micro Devices Corporation, a provider of application-specific protection devices and display electronics devices from June 1994 to November 2001. Prior to joining California Micro Devices Corporation, Mr. Hover-Smoot spent over 20 years working in law firms including Berliner-Cohen, Flehr, Hohbach, Test, Albritton & Herbert and Lyon & Lyon.

Victor Peng joined the Company in April 2008 and currently serves as Chief Operating Officer, a position he has held since April 2017. From July 2014 to April 2017, he served as Executive Vice President and General Manager of Products. From May 2013 through April 2014, Mr. Peng served as Senior Vice President and General Manager of the Programmable Platforms Group. From May 2012 through April 2013, he served as Senior Vice President of the Programmable Platforms Group. From November 2008 through April 2012, he served as Senior Vice President of the Programmable Platforms Development Group. Prior to joining the Company, Mr. Peng served as Corporate Vice President, Graphics Products Group at Advanced Micro Devices (AMD), a provider of processing solutions, from November 2005 to April 2008. Prior to joining AMD, Mr. Peng served in a variety of executive engineering positions at companies in the semiconductor and processor industries.

Krishna Rangasayee joined the Company in July 1999 and currently serves as Executive Vice President of Global Sales, a position he has held since April 2017. From January 2015 to April 2017, Mr. Rangasayee served as Senior Vice President and General Manager, Global Sales and Markets. From October 2013 to January 2015, he served as Senior Vice President and General Manager, Market Segments and Communications Business Unit. From April 2012 to October 2013, he served as Senior Vice President and General Manager, Communications Business Unit. Prior to that, he served in a number of key roles, including as Corporate Vice President and General Manager, Communications Unit, Vice President of Strategic Planning and Senior Director of Vertical Markets and Partnerships. Prior to joining Xilinx, Mr. Rangasayee held various positions at Altera, a provider of programmable logic solutions, and Cypress Semiconductor, a semiconductor company.

Vincent L. Tong joined the Company in May 1990 and currently serves as Executive Vice President, Global Operations & Quality, a position he has held since May 2016. From January 2015 to May 2016, Mr. Tong served as Senior Vice President, Global Operations and Quality. He also has served as Executive Leader, Asia Pacific since October 2011. Mr. Tong previously served as Senior Vice President, Worldwide Quality and New Product Introductions from June 2008 to January 2015. He has also served as Vice President, Worldwide Quality and Reliability from August 2006 to June 2008 and prior to that as Vice President of Product Technology from May 2001 to July 2006. Prior to joining the Company, Mr. Tong served in a variety of engineering and management positions at Monolithic Memories, a producer of logic devices, and AMD. He holds seven U.S. patents.

Additional Information

We make available, via a link through our investor relations website located at www.investor.xilinx.com, access to our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (Exchange Act) as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (SEC). All such filings on our investor relations website are available free of charge. Printed copies of these documents are also available to stockholders without charge, upon written request directed to Xilinx, Inc., Attn: Investor Relations, 2100 Logic Drive, San Jose, CA 95124. Further, a copy of this Annual Report on Form 10-K is located at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding our filings at http://www.sec.gov. The content on any website referred to in this filing is not incorporated by reference into this filing unless expressly noted otherwise.

Additional information required by this Item 1 is incorporated by reference to the section captioned "Net Revenues - Net Revenues by Geography" in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and to "Note

15. Segment Information" to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data."

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

ITEM 1A. RISK FACTORS

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

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

Our success depends in large part on our ability to develop and introduce new products that address customer requirements and compete effectively on the basis of price, density, functionality, power consumption and performance. Consolidation in our industry may increasingly mean that our competitors have greater resources, or other synergies, that provide them with a competitive advantage in those regards. The success of new product introductions is dependent upon several factors, including:

- timely completion of new product designs;
- ability to generate new design opportunities and design wins;
- availability of specialized field application engineering resources supporting demand creation and customer adoption of new products;
- ability to utilize advanced manufacturing process technologies on circuit geometries of 28nm and smaller;
- achieving acceptable yields;
- ability to obtain adequate production capacity from our wafer foundries and assembly and test subcontractors;
- ability to obtain advanced packaging;
- availability of supporting software design tools;
- utilization of predefined IP logic;
- customer acceptance of advanced features in our new products;
- ability of our customers to complete their product designs and bring them to market; and
- market acceptance of our customers' products.

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

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

Most of our wafers are manufactured in Taiwan by UMC and, for our newest products, by TSMC. In addition, we also have wafers manufactured in South Korea by Samsung Electronics Co., Ltd. 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 us and these wafer foundries, which usually result in short-term agreements that do not provide for long-term supply or allocation commitments. We are dependent on these foundries to supply the substantial majority of our wafers. We rely on UMC, TSMC and our other foundries to produce wafers with competitive performance attributes. Therefore, the foundries, particularly TSMC who manufactures our newest products, must be able to transition to advanced manufacturing process technologies and increased wafer sizes, produce wafers at acceptable yields and deliver them in a timely manner. Furthermore, we cannot guarantee that the foundries that supply our wafers will offer us competitive pricing terms or other commercial terms important to our business.

We cannot guarantee that our foundries will not experience manufacturing problems, including delays in the realization of advanced manufacturing process technologies or difficulties due to limitations of new and existing process technologies. Furthermore, we cannot guarantee the foundries will be able to manufacture sufficient quantities of our products or that they will continue to manufacture a product for the full life of the product. In addition, weak economic conditions may adversely impact the financial health and viability of the foundries and result in their insolvency or their inability to meet their commitments to us. For example, we may experience supply shortages due to the difficulties foundries may encounter if they must rapidly increase their production capacities from low utilization levels to high utilization levels because of an unexpected increase in demand. We may also experience supply shortages due to very strong demand for our products and a surge in demand for semiconductors in general, which may lead to tightening of foundry capacity across the industry. The insolvency of a foundry or any significant manufacturing problem or insufficient foundry capacity would disrupt our operations and negatively impact our financial condition and results of operations.

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

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

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

As a result of the 2008 global financial crisis, global consumer confidence eroded amidst concerns over declining asset values, inflation, volatility in energy costs, geopolitical issues, the availability and cost of credit, rising unemployment, and the stability and solvency of financial institutions, financial markets, businesses and sovereign nations, among other concerns. These concerns slowed global economic growth and resulted in recessions in numerous countries, including many of those in North America, Europe and Asia. The financial condition of certain sovereign nations, particularly in Europe, is of continuing concern as the sovereign debt crisis remains unresolved. These weak economic conditions resulted in reduced customer demand and had a negative impact on our results of operations in some parts of fiscal 2012 and fiscal 2013. If weak economic conditions return, there may be a number of negative effects on our business, including customers or potential customers reducing or delaying orders, the insolvency of key suppliers, potentially causing production delays, the inability of customers to obtain credit, and the insolvency of one or more customers. Any of these effects could impact our ability to effectively manage inventory levels and collect receivables and ultimately decrease our net revenues and profitability.

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

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

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

In addition to the challenging market conditions we may face, we have limited visibility into the demand for our products, particularly new products, because demand for our products depends upon our products being designed into our end customers' products and those products achieving market acceptance. Due to the complexity of our customers' designs, the design to volume production process for our customers requires a substantial amount of time, frequently longer than a year. In addition to this, other factors may affect our end customers' demand for our products, including, but not limited to, end customer program delays and the ability of end customers to secure other complementary products. We also are dependent upon "turns," orders received and turned for shipment in the same quarter. These factors make it difficult for us to forecast future sales and project quarterly revenues. The difficulty in forecasting future sales impairs our ability to project our inventory requirements, which could result, and in the past has resulted, in inventory write-downs or failure to meet customer product demands in a timely manner. In addition, difficulty in forecasting revenues compromises our ability to provide forward-looking revenue and earnings guidance.

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

Our PLDs compete in the IC industry, an industry that is intensely competitive, continues to consolidate, and is characterized by rapid technological change, increasing levels of integration, product obsolescence and continuous price erosion. We expect increased competition from our primary PLD competitors, Intel, Lattice and Microsemi, and from new market entrants. In addition, competition from the ASIC market and from the ASSP market continues. We believe that important competitive factors in the logic IC industry include:

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

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. However, we may not be successful in executing this strategy. In addition, we anticipate continued pressure from our customers to reduce prices, which may outpace our ability to lower the cost for established products.

Other competitors include manufacturers of:

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

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

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

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

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

If greater demand for wafers is not offset by an increase in foundry capacity, market demand for wafers or production and assembly materials increases, or if a supplier of our wafers or other materials ceases or suspends operations, our supply of wafers and other materials could become limited. Such shortages raise the likelihood of potential wafer price increases, wafer shortages or shortages in materials at production and test facilities, resulting in potential inability to address customer product demands in a timely manner. For example, when certain suppliers were forced to temporarily halt production as the result of a natural disaster, this resulted in a tightening of supply for those materials. Such shortages of wafers and materials as well as increases in wafer or materials prices could adversely affect our gross margins and would adversely affect our ability to meet customer demands and lead to reduced revenue.

We depend on distributors, primarily Avnet, to generate a significant portion of our sales and complete order fulfillment.

Resale of product through Avnet accounted for 44% of our worldwide net revenues in fiscal 2017 and as of April 1, 2017 , Avnet accounted for 59% of our total net accounts receivable. Any adverse change to our relationship with Avnet or our remaining distributors could have a material impact on our business. Furthermore, if a key distributor materially defaults on a contract or otherwise fails to perform, our business and financial results would suffer. In addition, we are subject to concentrations of credit risk in our trade accounts receivable, which includes accounts of our distributors. A significant reduction of effort by a distributor to sell our products or a material change in our relationship with one or more distributors may reduce our access to certain end customers and adversely affect our ability to sell our products.

In addition, the financial health of our distributors and our continuing relationships with them are important to our success. Unpredictable economic conditions may adversely impact the financial health of some of these distributors, particularly our smaller distributors. This could result in the insolvency of certain distributors, the inability of distributors to obtain credit to finance the purchase of our products, or cause distributors to delay payment of their obligations to us and increase our credit risk exposure. Our business could be harmed if the financial health of these distributors impairs their performance and we are unable to secure alternate distributors.

We are dependent on independent subcontractors for most of our assembly and test services, and unavailability or disruption of these services could negatively impact our financial condition and results of operations.

We are dependent on subcontractors to provide semiconductor assembly, substrate, test and shipment services. Any prolonged inability to obtain wafers with competitive performance and cost attributes, adequate yields or timely delivery, any disruption in assembly, test or shipment services, delays in stabilizing manufacturing processes and ramping up volume for new products, transitions to new service providers or any other circumstance that would require us to seek alternative sources of supply, could delay shipments and have a material adverse effect on our ability to meet customer demands. In addition, unpredictable economic conditions may adversely impact the financial health and viability of these subcontractors and result in their insolvency or their inability to meet their commitments to us. These factors would result in reduced net revenues and could negatively impact our financial condition and results of operations.

A number of factors, including our inventory strategy, can impact our gross margins.

A number of factors, including yield, wafer pricing, product mix, market acceptance of our new products, competitive pricing dynamics, licensing costs, geographic and/or market segment pricing strategies can cause our gross margins to fluctuate. In addition, forecasting our gross margins is difficult because a significant portion of our business is based on turns within the same quarter.

While our overall inventory levels fluctuate over time, the inventory of newer product lines may be higher than other products due to a planned increase in safety stock in anticipation of future revenue growth. In the event demand does not materialize, we may be subject to incremental obsolescence costs. In addition, future product cost reductions could have an increased impact on our inventory valuation, which would then impact our operating results.

Reductions in the average selling prices of our products could have a negative impact on our gross margins.

The average selling prices of our products generally decline as the products mature. We seek to offset the decrease in selling prices through yield improvement, manufacturing cost reductions and increased unit sales. We also continue to develop higher value products or product features that increase, or slow the decline of, the average selling price of our products. However, there is no guarantee that our ongoing efforts will be successful or that they will keep pace with the decline in selling prices of our products, which could ultimately lead to a decline in revenues and have a negative effect on our gross margins.

Because of our international business and operations, we are vulnerable to the economic conditions of the countries in which we operate and currency fluctuations could have a material adverse effect on our business and negatively impact our financial condition and results of operations.

In addition to our U.S. operations, we also have significant international operations, including foreign sales offices to support our international customers and distributors, our regional headquarters in Ireland and Singapore and an R&D site in India. Our international operations have grown because we have established certain operations and administrative functions outside the U.S. Sales and operations outside of the U.S. subject us to the risks associated with conducting business in foreign economic and regulatory environments. Our financial condition and results of operations could be adversely affected by unfavorable economic conditions in countries in which we do significant business or by changes in foreign currency exchange rates affecting those countries. We derive over one-half of our revenues from international sales, primarily in the Asia Pacific region, Europe and Japan. Past economic weaknesses in these markets adversely affected revenues. Sales to all direct OEMs and distributors are denominated in U.S. dollars. While the recent movements of the Euro and Yen exchange rates against the U.S. dollar had no material impact to our business, increased volatility could impact our European and Japanese customers. Currency instability and volatility and disruptions in the credit and capital markets including as a result of the United Kingdom referendum on June 23, 2016, in which voters approved an exit from the European Union (commonly referred to as "Brexit") may increase credit risks for some of our customers and may impair our customers' ability to repay existing obligations. Increased currency volatility could also positively or negatively impact our foreign-currency-denominated costs, assets and liabilities. In addition, any devaluation of the U.S. dollar relative to other foreign currencies may increase the operating expenses of our foreign subsidiaries adversely affecting our results of operations. Furthermore, because we are increasingly dependent on the global economy, instability in worldwide economic environments occasioned, for example, directly or indirectly by political instability (such as due to Brexit), terrorist activity, U.S. or other military actions, and international sanctions or other diplomatic actions (potentially including sanctions adopted or under consideration by the U.S. or European Union with respect to Russia or Russian individuals or businesses), could adversely impact economic activity and lead to a contraction of capital spending by our customers generally or in specific regions. Any or all of these factors could adversely affect our financial condition and results of operations in the future.

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

In addition to international sales and support operations and development activities, we purchase our wafers from foreign foundries, have our commercial products assembled, packaged and tested by subcontractors located outside the U.S. and utilize third party warehouse operators to store and manage inventory levels for certain of our products. All of these activities are subject to the uncertainties associated with international business operations, including global laws and regulations, trade barriers, economic sanctions, tax regulations, import and export regulations, duties and tariffs and other trade restrictions, changes in trade policies, anti-corruption laws, foreign governmental regulations, potential vulnerability of and reduced protection for IP, longer receivable collection periods and disruptions or delays in production or shipments, any of which could have a material adverse effect on our business, financial condition and/or operating results. For example, on March 8, 2016, the U.S. Department of Commerce added ZTE Corporation (ZTE) to its "Entity List" and placed certain export restrictions on ZTE and its suppliers. Although interim relief was provided until the U.S. Department of Commerce and ZTE reached a settlement effective on March 29, 2017, which removed ZTE from the "Entity List," had ZTE not been removed, the restrictions could have caused a material adverse effect on our business, financial condition and/or operating results. Additional factors that could adversely affect us due to our international operations include rising oil prices and increased costs of natural resources. Moreover, our financial condition and results of operations could be affected in the event of political conflicts or economic crises in countries where our main wafer providers, warehouses, end customers and contract manufacturers who provide assembly and test services worldwide, are located. Adverse change to the circumstances or conditions of our international business operations, including instability and uncertainty as a result of Brexit, could have a material adverse effect on our business.

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

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

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

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

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

Our ability to design and introduce new products in a timely manner is dependent upon third-party IP.

In the design and development of new products and product enhancements, we rely on third-party intellectual property such as software development tools and hardware testing tools. Furthermore, certain product features may rely on intellectual property acquired from third parties. The design requirements necessary to meet future consumer demands for more features and greater functionality from semiconductor products may exceed the capabilities of the third-party intellectual property or development tools that are available to us. If the third-party intellectual property that we use becomes unavailable or fails to produce designs that meet consumer demands, our business could be adversely affected.

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

We rely in part on various IT systems to manage our operations, including financial reporting, and we regularly evaluate these systems and make changes to improve them as necessary. Consequently, we periodically implement new, or upgrade or enhance existing, operational and IT systems, procedures and controls. Any delay in the implementation of, or disruption in the transition to, new or enhanced systems, procedures or controls, could harm our ability to record and report financial and management information on a timely and accurate basis. These systems are also subject to power and telecommunication outages or other general system failures. Failure of our IT systems or difficulties in managing them could result in business disruption. We also may be subject to unauthorized access to our IT systems through a security breach or cyber attack. We experience cyber attacks of varying degrees on an ongoing basis. In the past there have been attempts by third parties to penetrate and/or infect our network and systems with malicious software in an effort to gain access to our network and systems. Third parties may continue to attempt to fraudulently induce employees, users, or customers to disclose sensitive information in order to gain access to our network systems. We seek to detect and investigate any security incidents and prevent their recurrence, but in some cases, we might be unaware of an incident or its magnitude and effects. Because the techniques used to obtain unauthorized access to and sabotage our systems change frequently, we may be unable to anticipate these techniques or to implement adequate protections. Our business could be significantly harmed, and we could be subject to third party claims in the event of such a security breach. Our IT systems are also linked to the IT systems of customers, suppliers, and distribution partners and those links provide critical information we use to manage our operations, including information used for financial reporting. The IT systems of our customers, suppliers, and distribution partners and the links between our IT systems and our customers are subject to the same risks as that of our IT systems.

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

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

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

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

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

From time to time we are subject to various legal proceedings and claims that arise out of the ordinary conduct of our business. The amount of damages alleged in certain legal claims may be significant. For example, in December 2013, we entered into a Settlement and License Agreement with PACT XPP Technologies, AG (PACT) in which the parties agreed to dismiss with prejudice all outstanding patent litigation among us, Avnet and PACT. As part of the settlement, we agreed to pay PACT a lump sum of $33.5 million. Certain other claims involving the Company are not yet resolved, including those that are discussed under "Item 3. Legal Proceedings" included in Part I of this Form 10-K, and additional claims may arise in the future. Results of legal proceedings cannot be predicted with certainty. Regardless of its merit, litigation may be both time-consuming and disruptive to our operations and cause significant expense and diversion of management attention and we may enter into material settlements to avoid these risks. Should we fail to prevail in certain matters, or should several of these matters be resolved against us in the same reporting period, we may be faced with significant monetary damages or injunctive relief against us that would materially and adversely affect a portion of our business and might materially and adversely affect our financial condition and operating results.

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

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

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

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

In preparing our financial statements in conformity with accounting principles generally accepted in the U.S., we must make estimates and judgments in applying our most critical accounting policies. Those estimates and judgments have a significant impact on the results we report in our consolidated financial statements. The most difficult estimates and subjective judgments that we make concern valuation of marketable and non-marketable securities, revenue recognition, inventories, long-lived assets including acquisition-related intangibles, goodwill, taxes and stock-based compensation. We base our estimates on historical experience, input from outside experts and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We also have other key accounting policies that are not as subjective, and therefore, their application would not require us to make estimates or judgments that are as difficult, but which nevertheless could significantly affect our financial reporting. Actual results may differ materially from these estimates. If these estimates or their related assumptions change, our operating results for the periods in which we revise our estimates or assumptions could be adversely and perhaps materially affected.

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

Our FPGAs and related technologies are subject to EAR, which are administered by the U.S. Department of Commerce. In addition, we may, from time to time, receive technical data from third parties that is subject to the ITAR, which are administered by the U.S. Department of State. EAR and ITAR govern the export and re-export of these FPGAs, the transfer of related technologies, whether in the U.S. or abroad, and the provision of services. We are required to maintain an internal compliance program and security infrastructure to meet EAR and ITAR requirements.

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

Our inability to effectively control the sale of our products on the gray market could have a material adverse effect on us.

We market and sell our products directly to OEMs and through authorized third-party distributors which helps to ensure that products delivered to our customers are authentic and properly handled. From time to time, customers may purchase products bearing our name from the unauthorized "gray market." These parts may be counterfeit, salvaged or re-marked parts, or parts that have been altered, mishandled, or damaged. Gray market products result in shadow inventory that is not visible to us, thus making it difficult to forecast supply or demand. Also, when gray market products enter the market, we and our authorized distributors may compete with brokers of these discounted products, which can adversely affect demand for our products and negatively impact our margins. In addition, our reputation with customers may be negatively impacted when gray market products bearing our name fail or are found to be substandard.

The conflict minerals provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act could result in additional costs and liabilities.

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC established disclosure and reporting requirements for those companies who use "conflict" minerals mined from the Democratic Republic of Congo and adjoining countries in their products, regardless of whether such products are manufactured by third parties. These requirements could affect the sourcing and availability of minerals used in the manufacture of our semiconductor products. The costs associated with complying with the disclosure requirements include those for due diligence in regard to the sources of any conflict minerals used in our products, remediation and other changes to products, processes, or sources of supply as a consequence of such verification activities. We may face reputational challenges if we are unable to sufficiently verify the origins for all minerals used in our products through the due diligence process we implement. Moreover, we may encounter challenges to satisfy those customers who require that all of the components of our products are certified as conflict free.

Exposure to greater than anticipated income tax liabilities, changes in tax rules and regulations, changes in interpretation of tax rules and regulations, or unfavorable assessments from tax audits could affect our effective tax rates, financial condition and results of operations.

We are a U.S.-based multinational company subject to tax in multiple U.S. and foreign tax jurisdictions. Our income tax obligations could be affected by many factors, including but not limited to changes to our corporate operating structure, intercompany arrangements and tax planning strategies. A significant portion of our earnings are earned by our subsidiaries outside the U.S. In addition to providing for U.S. income taxes on earnings from the U.S., we provide for U.S. income taxes on the earnings of foreign subsidiaries unless the subsidiaries' earnings are considered permanently reinvested outside the U.S. While we do not anticipate changing our intention regarding permanently reinvested earnings, if certain foreign earnings previously treated as permanently reinvested are repatriated, the related U.S. tax on such repatriated earnings could negatively impact our effective tax rates, financial condition and results of operations.

Our income tax expense is computed based on tax rates at the time of the respective financial period. Our future effective tax rates, financial condition and results from operations could be unfavorably affected by changes in the tax rates in jurisdictions where our income is earned, by changes in the tax rules and regulations or the interpretation of tax rules and regulations in the jurisdictions in which we do business or by changes in the valuation of our deferred tax assets. Notably, the current U.S. administration and certain members of Congress have made public statements indicating that corporate tax reform is a priority. Changes to U.S. tax laws could materially affect the tax treatment of our domestic and foreign earnings.

In addition, we are subject to examinations of our income tax returns by domestic and foreign tax authorities. We regularly assess the likelihood of outcomes resulting from these examinations to determine the adequacy of our provision for income taxes and have reserved for potential adjustments that may result from the current examinations. There can be no assurance that the final determination of any of these examinations will not have an adverse effect on our effective tax rates, financial position and results of operations.

Our 2.625% Senior Convertible Debenture (2017 Convertible Notes) mature on June 15, 2017, which could have a material effect on our liquidity.

The 2017 Convertible Notes have conditional conversion features which were triggered in fiscal 2013 and entitled holders of the 2017 Convertible Notes to convert the 2017 Convertible Notes at any time during specified periods at their option. As a result of this, we were required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2017 Convertible Notes as a current rather than long-term liability. In addition, we were required to increase the number of shares used in our net income per share calculations to reflect the potentially dilutive impact of the conversion.

During fiscal 2017, we received conversion requests from certain holders of the 2017 Convertible Notes and paid cash of $142.1 million. The remaining balance of the 2017 Convertible Notes of $457.9 million will mature on June 15, 2017. At maturity, we will be required to settle any converted principal through the payment of cash, which could adversely affect our liquidity.

Considerable amounts of our common shares are available for issuance under our equity incentive plans and 2017 Convertible Notes, and significant issuances in the future may adversely impact the market price of our common shares.

As of April 1, 2017 we had 2.00 billion authorized common shares, of which 248.0 million shares were outstanding. In addition, 27.8 million common shares were reserved for issuance pursuant to our equity incentive plans and Employee Stock Purchase Plan (ESPP), 15.9 million common shares were reserved for issuance upon conversion or maturity of the 2017 Convertible Notes and 20.8 million common shares were reserved for issuance upon exercise of warrants. The availability of substantial amounts of our common shares resulting from the exercise or settlement of equity awards outstanding under our equity incentive plans or the conversion or maturity of convertible debenture using common shares, which would be dilutive to existing stockholders, could adversely affect the prevailing market price of our common shares and could impair our ability to raise additional capital through the sale of equity securities.

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

The aggregate amount of our consolidated indebtedness as of April 1, 2017 was $1.46 billion (principal amount), which consists of $500.0 million in aggregate principal amount of our 2.125% Notes due 2019 (2019 Notes), $500.0 million in aggregate principal amount of our 3.000% Notes due 2021 (2021 Notes) and $457.9 million in aggregate principal amount of our 2017 Convertible Notes. We also may incur additional indebtedness in the future. Our indebtedness may:

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

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

The agreements governing the 2019 Notes and 2021 Notes contain covenants that may adversely affect our ability to operate our business.

The indentures governing the 2019 Notes and 2021 Notes contain various covenants limiting our and our subsidiaries' ability to, among other things:

- create certain liens on principal property or the capital stock of certain subsidiaries;
- enter into certain sale and leaseback transactions with respect to principal property; and
- consolidate or merge with, or convey, transfer or lease all or substantially all our assets, taken as a whole, to, another person.

A failure to comply with these covenants and other provisions in these indentures could result in events of default under the indentures, which could permit acceleration of the 2019 Notes and the 2021 Notes. Any required repayment as a result of such acceleration could have a material adverse effect on our business, results of operations, financial condition or cash flows.

The call options and warrant transactions related to our 2017 Convertible Notes may affect the value of the debenture and our common stock.

To hedge against potential dilution upon conversion of the 2017 Convertible Notes, we purchased call options on our common stock from the hedge counterparties. We also sold warrants to the hedge counterparties, which could separately have a dilutive effect on our earnings per share to the extent that the market price per share of our common stock exceeds the applicable strike price of the warrants of $40.89 per share. Such dilutive effects could be exacerbated, or we could experience other adverse effects, if a hedge counterparty becomes subject to insolvency proceedings or otherwise fails to deliver common shares they may owe us under those hedges.

As the hedge counterparties and their respective affiliates modify hedge positions, they may enter or unwind various derivatives with respect to our common stock and/or purchase or sell our common stock in secondary market transactions. This activity also could affect the market price of our common stock and/or debenture, which could affect the ability of the holders of the debenture to convert and the number of shares and value of the consideration that will be received by the holders of the debenture upon conversion.

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

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

- our ongoing business may be disrupted and our management's attention may be diverted by investment, acquisition, transition or integration activities;
- an acquisition or strategic investment may not further our business strategy as we expected, and we may not integrate an acquired company or technology as successfully as we expected;
- our operating results or financial condition may be adversely impacted by claims or liabilities that we assume from an acquired company or technology or that are otherwise related to an acquisition;

- we may have difficulty incorporating acquired technologies or products with our existing product lines;
- we may have higher than anticipated costs in continuing support and development of acquired products, and in general and administrative functions that support such products;
- our strategic investments may not perform as expected; and
- we may experience unexpected changes in how we are required to account for our acquisitions and strategic investments pursuant to U.S. GAAP.

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

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our corporate offices, which include the administrative, sales, customer support, marketing, R&D and manufacturing and testing groups, are located in San Jose, California. This main site consists of adjacent buildings providing 588,000 square feet of space, which we own. We also own one parcel of land totaling approximately 84 acres in South San Jose near our corporate facility. At present, we do not have any plans to develop the land.

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

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

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

We lease office facilities for our engineering design centers in Hyderabad, India; Albuquerque, New Mexico; Edinburgh, Scotland; Ottawa, Canada; Beijing, China; Belfast, Northern Ireland; Cork, Ireland and Gothenberg, Sweden. We also lease sales offices in various locations throughout North America, which include the metropolitan areas of Chicago, Dallas, Detroit, Nashua, Raleigh, San Diego as well as international sales offices located in the metropolitan areas of Bangalore, Beijing, Chengdu, Brussels, Helsinki, Hong Kong, London, Milan, Munich, Nanjing, Osaka, Paris, Seoul, Shanghai, Shenzhen, Stockholm, Taichung, Taipei, Tel Aviv, Tokyo and Xi'an.

ITEM 3. LEGAL PROCEEDINGS

For information regarding our legal proceedings, see "Note 16. Litigation Settlements and Contingencies" to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data", which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Our common stock trades on the NASDAQ Global Select Market under the symbol XLNX. As of May 4, 2017, there were approximately 500 stockholders of record. Since many holders' shares are listed under their brokerage firms' names, the actual number of stockholders is estimated by us to be approximately 175,000.

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

	Fiscal 2017		Fiscal 2016	
	High	Low	High	Low
First Quarter	$ 47.45	$ 42.92	$ 48.33	$ 41.85
Second Quarter	54.46	45.48	44.16	38.78
Third Quarter	61.24	49.61	50.24	40.66
Fourth Quarter	60.32	57.37	50.27	41.91

Dividends Declared Per Common Share

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

	Fiscal 2017	Fiscal 2016
First Quarter	$ 0.33	$ 0.31
Second Quarter	0.33	0.31
Third Quarter	0.33	0.31
Fourth Quarter	0.33	0.31

On April 25, 2017, our Board of Directors declared a cash dividend of $0.35 per common share for the first quarter of fiscal 2018 . The dividend is payable on June 1, 2017 to stockholders of record as of May 16, 2017.

Securities Authorized for Issuance Under Equity Compensation Plans

See "Equity Compensation Plan Information," included in Item 12. "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" in Part III of this Form 10-K for information regarding our equity compensation plans.

Issuer Purchases of Equity Securities

The following table summarizes the Company's repurchase of its common stock during the fourth quarter of fiscal 2017 .

(In thousands, except per share amounts) 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 (1)
January 1, 2017 to February 4, 2017	428	$ 58.36	428	$ 765,201
February 5, 2017 to March 4, 2017	608	$ 58.47	608	$ 729,667
March 5, 2017 to April 1, 2017	813	$ 58.47	813	$ 682,133
Total for Quarter	1,849	$ 58.45	1,849	

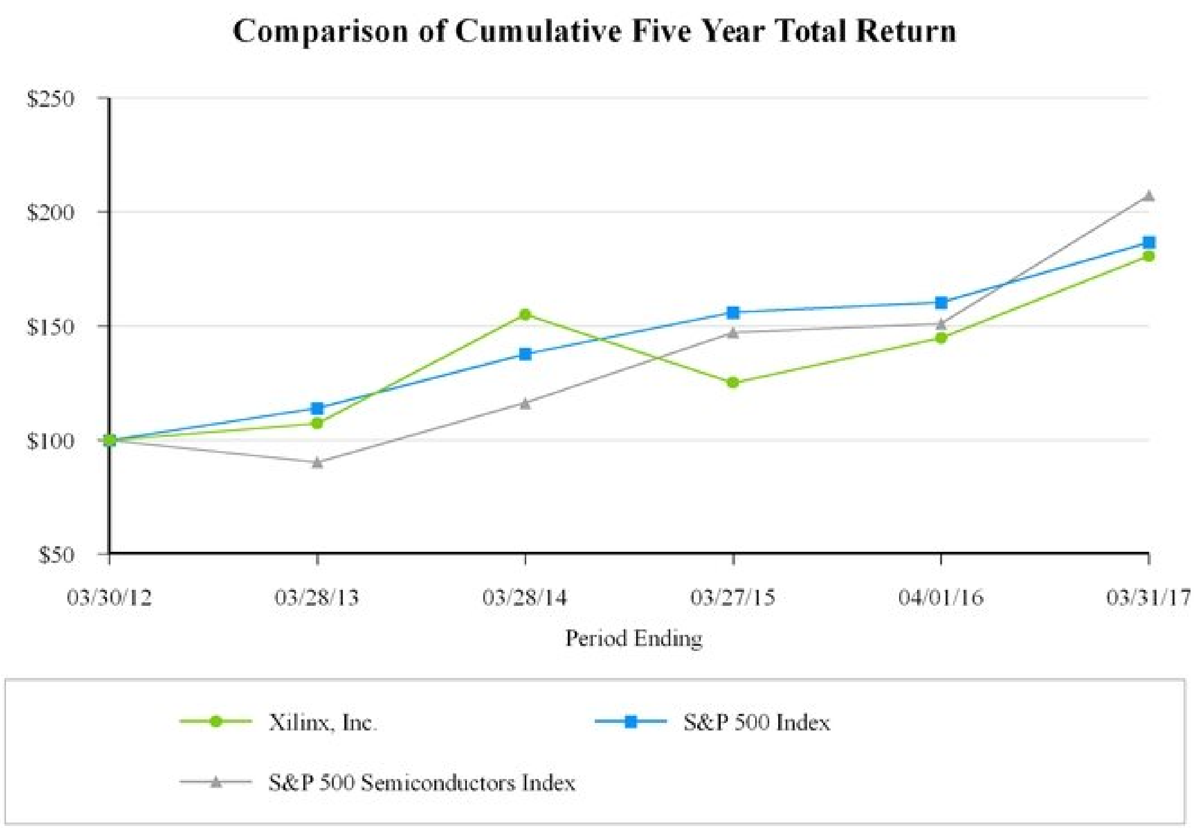
(1) In November 2014, the Board authorized the repurchase of $800.0 million of the Company's common stock (2014 Repurchase Program). In May 2016, the Board authorized the repurchase of up to $1.00 billion of the Company's common stock and debentures (2016 Repurchase Program). The 2014 and 2016 Repurchase

Programs have no stated expiration date. Through April 1, 2017 , the Company had used all of the $800.0 million authorized under the 2014 Repurchase Program and $317.9 million of the $1.00 billion authorized under the 2016 Repurchase Program, leaving a balance of $682.1 million available for future repurchases. The Company's current policy is to retire all repurchased shares, and consequently, no treasury shares were held as of April 1, 2017 and April 2, 2016 .

See "Note 13. Stockholders' Equity" to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data" for information regarding our stock repurchase plans.

Company Stock Price Performance

The following graph shows a comparison of cumulative total return for our common stock, the Standard & Poor's 500 Stock Index (S&P 500 Index), and the Standard & Poor's 500 Semiconductors Index (S&P 500 Semiconductors Index). The graph covers the period from March 30, 2012, the last trading day before our fiscal 2012, to March 31, 2017, the last trading day of our fiscal 2017. The graph and table assume that $100 was invested on March 30, 2012 in our common stock, the S&P 500 Index and the S&P 500 Semiconductors Index and that all dividends were reinvested.



Company / Index	03/30/12	03/28/13	03/28/14	03/27/15	04/01/16	03/31/17
Xilinx, Inc.	100.00	107.37	154.97	125.16	144.76	180.65
S&P 500 Index	100.00	113.96	137.77	156.00	160.35	186.71
S&P 500 Semiconductors Index	100.00	90.39	116.32	147.23	151.03	207.24

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

ITEM 6. SELECTED FINANCIAL DATA

Consolidated Statement of Income Data
Five years ended April 1, 2017
(In thousands, except per share amounts)

	April 1, 2017	April 2, 2016	March 28, 2015 (1)	March 29, 2014 (2)	March 30, 2013
Net revenues	$ 2,349,330	$ 2,213,881	$ 2,377,344	$ 2,382,531	$ 2,168,652
Operating income	699,394	669,881	755,078	748,927	580,732
Income before income taxes	691,080	636,825	740,076	709,526	547,006
Provision for income taxes	68,568	85,958	91,860	79,138	59,470
Net income	622,512	550,867	648,216	630,388	487,536
Net income per common share:					
Basic	$ 2.47	$ 2.14	$ 2.44	$ 2.37	$ 1.86
Diluted	$ 2.32	$ 2.05	$ 2.35	$ 2.19	$ 1.79
Shares used in per share calculations:					
Basic	252,301	257,184	265,480	266,431	261,652
Diluted	268,813	268,667	276,123	287,396	272,573
Cash dividends per common share	$ 1.32	$ 1.24	$ 1.16	$ 1.00	$ 0.88

(1) Fiscal 2015 consolidated statement of income data included restructuring charges of $24,491.

(2) Fiscal 2014 consolidated statement of income data included litigation charges of $9,410 and loss on extinguishment of convertible debentures of $9,848.

Consolidated Balance Sheet Data
Five years ended April 1, 2017
(In thousands)

	2017	2016 (3)	2015 (3)	2014 (3)	2013 (3)
Working capital	$ 2,982,920	$ 2,972,261	$ 2,971,259	$ 2,077,488	$ 1,909,180
Total assets	4,740,532	4,819,269	4,892,146	5,029,176	4,718,055
Long-term debt	995,247	993,639	992,058	990,281	911,271
Other long-term liabilities	339,050	278,446	304,479	266,438	456,701
Stockholders' equity	2,507,633	2,589,893	2,611,594	2,752,682	2,963,296

(3) Fiscal 2013-2016 Consolidated Balance Sheet Data have been restated as a result of the adoption of authoritative guidance issued in April 2015 that requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of the debt. See "Note 2. Summary of Significant Accounting Policies and Concentration of Risk" to our consolidated financial statements included in Item 8. "Financial Information and Supplementary Data" for information regarding this.

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

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

Cautionary Statement

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

Nature of Operations

We design and develop programmable devices and associated technologies, including ICs in the form of PLDs, software design tools and predefined system functions delivered as IP. In addition to our programmable platforms, we provide design services, customer training, field engineering and technical support. Our PLDs include FPGAs, CPLDs and programmable SoCs. 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 Communication & Data Center, Industrial, Aerospace & Defense, and Broadcast, Consumer & Automotive. We sell our products globally through independent domestic and foreign distributors and through direct sales to OEMs by selected 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 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 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, R&D expenses, and selling, general and administrative (SG&A) expenses. Below, we discuss these policies further, as well as the estimates and judgments involved. We also have other key accounting policies that are not as subjective, and therefore, their application would not require us to make estimates or judgments that are as difficult, but which nevertheless could significantly affect our financial reporting.

Valuation of Marketable Securities

Our short-term and long-term investments include marketable debt securities. As of April 1, 2017 , we had marketable debt securities with a fair value of $3.07 billion .

We determine the fair values for marketable debt securities using industry standard pricing services, data providers and other third-party sources and by internally performing valuation testing and analyses. See "Note 3. Fair Value Measurements" to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for details of the valuation methodologies. In determining if and when a decline in value below the adjusted cost of marketable debt and equity securities is other than temporary, we evaluate on an ongoing basis the market conditions, trends of earnings, financial condition, credit ratings, any underlying collateral and other key measures for our investments. We did not record any other-than-temporary impairment for marketable debt or equity securities in fiscal 2017 , 2016 or 2015 .

Revenue Recognition

Sales to distributors are made under agreements providing distributor price adjustments and rights of return under certain circumstances. Revenue and costs relating to distributor sales are deferred until products are sold by the distributors to the distributors' end customers. For fiscal 2017 , approximately 52% of our net revenues were from products sold to distributors for subsequent resale to OEMs or their subcontract manufacturers. Revenue recognition depends on notification from the distributor that product has been sold to the distributor's end customer. Also reported by the distributor are product resale price, quantity and end customer shipment information, as well as inventory on hand. Reported distributor inventory on hand is reconciled to deferred revenue balances monthly. We maintain system controls to validate distributor data and to verify that the reported information is accurate. Deferred income on shipments to distributors reflects the estimated effects of distributor price adjustments and the estimated amount of gross margin expected to be realized when distributors sell through product purchased from us. Accounts receivable from distributors are recognized and inventory is relieved when title to inventories transfers, typically upon shipment from Xilinx at which point we have a legally enforceable right to collection under normal payment terms.

As of April 1, 2017 , we had $74.2 million of deferred revenue and $19.6 million of deferred cost of revenues recognized as a net $54.6 million of deferred income on shipments to distributors. As of April 2, 2016 , we had $70.9 million of deferred revenue and $19.1 million of deferred cost of revenues recognized as a net $ 51.8 million of deferred income on shipments to distributors. The deferred income on shipments to distributors that will ultimately be recognized in our consolidated statement of income will be different than the amount shown on the consolidated balance sheet due to actual price adjustments issued to the distributors when the product is sold to their end customers.

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

Revenue from software licenses is deferred and recognized as revenue over the term of the licenses of one year. Revenue from support services is recognized when the service is performed. Revenue from software licenses and support services were less than 5% 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 salable 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. 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 forecasts are developed based on inputs from our customers, including bookings and extended but uncommitted demand forecasts, and internal analyses such as customer historical purchasing trends and actual and anticipated design wins, as well as market and economic conditions, technology changes, new product introductions and changes in strategic direction. These factors 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. The differences between our demand forecast and the actual demand in the recent past have not resulted in any material write down in our inventory. 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

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

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

Long-lived assets such as property, plant and equipment are considered non-financial assets, and are only measured at fair value when indicators of impairment exist.

Goodwill

Goodwill is not amortized but is subject to impairment tests on an annual basis, or more frequently if indicators of potential impairment exist, and goodwill is written down when it is determined to be impaired. We perform an annual impairment review in the fourth quarter of each fiscal year and compare the fair value of the reporting unit in which the goodwill resides to its carrying value. If the carrying value exceeds the fair value, the goodwill of the reporting unit is potentially impaired. For purposes of impairment testing, Xilinx operates as a single reporting unit. We use the quoted market price method to determine the fair value of the reporting unit. Based on the impairment review performed during the fourth quarter of fiscal 2017 , there was no impairment of goodwill in fiscal 2017 . Unless there are indicators of impairment, our next impairment review for goodwill will be performed and completed in the fourth quarter of fiscal 2018 . To date, no impairment indicators have been identified.

Accounting for Income Taxes

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

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

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

We perform a two-step approach to recognize and measure uncertain tax positions relating to accounting for income taxes. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being ultimately realized. See "Note 14. Income Taxes" to our consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data."

Stock-Based Compensation

Determining the appropriate fair-value model and calculating the fair value of stock-based awards at the date of grant requires judgment. We use the Black-Scholes option-pricing model to estimate the fair value of rights to purchase shares under our ESPP. Option pricing models, including the Black-Scholes model, also require the use of input assumptions, including expected stock price volatility, expected life, expected dividend rate, expected forfeiture rate and expected risk-free rate of return. We use implied volatility based on traded options in the open market as we believe implied volatility is more reflective of market conditions and a better indicator of expected volatility than historical volatility. We will continue to review our input assumptions and make changes as deemed appropriate depending on new information that becomes available. Higher volatility and expected lives result in a proportional increase to stock-based compensation determined at the date of grant. The expected dividend rate and expected risk-free rate of return do not have as significant an effect on the calculation of fair value.

In addition, we developed an estimate of the number of stock-based awards which will be forfeited due to employee turnover. Quarterly changes in the estimated forfeiture rate have an effect on reported stock-based compensation, as the effect of adjusting the rate for all expense amortization is recognized in the period the forfeiture estimate is changed. If the actual forfeiture rate is higher than the estimated forfeiture rate, then an adjustment is made to increase the estimated forfeiture rate, which will result in a decrease to the expense recognized in the financial statements. If the actual forfeiture rate is lower than the estimated forfeiture rate, then an adjustment is made to decrease the estimated forfeiture rate, which will result in an increase to the expense recognized in the financial statements. The impact of forfeiture true up was not material for all periods presented. 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:

	2017	2016	2015
Net revenues	**100.0%**	**100.0%**	**100.0%**
Cost of revenues	30.1	30.3	29.8
Gross margin	**69.9**	**69.7**	**70.2**
Operating expenses:			
Research and development	25.6	24.1	22.1
Selling, general and administrative	14.3	15.0	14.9
Amortization of acquisition-related intangibles	0.2	0.3	0.4
Restructuring charges	—	—	1.0
Total operating expenses	40.1	39.4	38.4
Operating income	**29.8**	**30.3**	**31.8**
Interest and other expense, net	0.4	1.5	0.6
Income before income taxes	**29.4**	**28.8**	**31.2**
Provision for income taxes	2.9	3.9	3.9
Net income	**26.5%**	**24.9%**	**27.3%**

Net Revenues

(In millions)	2017	Change	2016	Change	2015
Net revenues	$ 2,349.3	6%	$ 2,213.9	(7)%	$ 2,377.3

Net revenues in fiscal 2017 were $2.35 billion , an increase of 6% as compared to fiscal 2016 . Advanced Products revenues increased 45% in fiscal 2017 but were partially offset by declines from our Core Products. The increase in Advanced Products was due to higher Advanced Products sales across all end markets, especially in Communications & Data Center and Industrial, Aerospace & Defense. Net revenues in fiscal 2016 were $2.21 billion, a decrease of 7% as compared to fiscal 2015 . Advanced Products revenues increased 27% in fiscal 2016 but were offset by declines from our Core Products. The increase in Advanced Products was due to higher sales across all end markets, especially in Industrial, Aerospace & Defense and Communications & Data Center. See also "Net Revenues by Product" and "Net Revenues by End Markets" below for more information on our product and end market categories.

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

Net Revenues by Product

We sell our products to global manufacturers of electronic products in end markets such as Communication & Data Center, Industrial, Aerospace & Defense, and Broadcast, Consumer & Automotive. The vast majority of our net revenues are generated from sales of our semiconductor products, but we also generate sales from support products. We classify our product offerings into two categories: Advanced Products and Core Products:

- Advanced Products are our most recent product offerings and include the UltraScale+, UltraScale and 7-series product families.
- Core Products are all other product families.

These product categories are modified on a periodic basis to better reflect the maturity of the products and advances in technology. The most recent modification was made on April 3, 2016, which was the beginning of our fiscal 2017, whereby we reclassified our product categories to be consistent with how these categories are analyzed and reviewed internally. Specifically, we have grouped the products manufactured at the 28nm, 20nm and 16nm nodes into a category named Advanced Products while all other products are included in a category named Core Products. The amounts for the prior periods presented have been reclassified to conform to the new categorization.

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

(In millions)	2017	% of Total	% Change	2016	% of Total	% Change	2015
Advanced Products	$ 1,080.7	46	45	$ 746.5	34	27	$ 587.6
Core Products	1,268.6	54	(14)	1,467.4	66	(18)	1,789.7
Total net revenues	$ 2,349.3	100	6	$ 2,213.9	100	(7)	$ 2,377.3

Net revenues from Advanced Products increased significantly in fiscal 2017 as a result of sales growth from our 28nm, 20nm and 16nm product families. Sales from our 28nm products were more than $800.0 million while sales from our 20nm products exceeded $200.0 million during fiscal 2017 . We expect sales of Advanced Products to continue to grow as more customer programs enter into volume production with our 28nm, 20nm and 16nm products. In fiscal 2016 , strong market acceptance of our 28nm and 20nm product families contributed to the majority of the revenue growth versus the comparable prior year period.

Net revenues from Core Products decreased in both fiscal 2017 and fiscal 2016 from the comparable prior year periods. The decrease in fiscal 2017 was largely driven by the decline in sales from our Spartan-3 and Virtex-6 product families, while the decrease in fiscal 2016 was largely due to the decline in sales from our Virtex-5, Virtex-6 and Virtex-2 product families.

Net Revenues by End Markets

Our end market revenue data is derived from our understanding of our end customers' primary markets. We classify our net revenues by end markets into the following three categories: Communications & Data Center; Industrial, Aerospace & Defense; and Broadcast, Consumer & Automotive. 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 fiscal years indicated were as follows:

(% of total net revenues)	2017	% Change in Dollars	2016	% Change in Dollars	2015
Communications & Data Center	42%	9	41%	(15)	46%
Industrial, Aerospace & Defense	41	5	42	(1)	39
Broadcast, Consumer & Automotive	17	2	17	3	15
Total net revenues	100%	6	100%	(7)	100%

Net revenues from Communications & Data Center increased in fiscal 2017 , but decreased in fiscal 2016 from the comparable prior year periods. The increase in fiscal 2017 was primarily due to higher sales from wireless, and to a lesser extent from wireline and data center. The decrease in fiscal 2016 from the comparable prior year period was primarily due to lower sales from wireless, and to a lesser extent from wireline and data center.

Net revenues from Industrial, Aerospace & Defense increased in fiscal 2017 from the comparable prior year period. The increase in fiscal 2017 was primarily due to higher sales from test and measurement and aerospace and defense, partially offset by a decrease in sales from industrial, scientific and medical. Net revenues from Industrial, Aerospace & Defense decreased slightly in fiscal 2016 from the comparable prior year period. The decrease in fiscal 2016 was primarily due to a decline in sales from certain key programs within aerospace and defense, partially offset by increases in sales from both test and measurement and industrial, scientific and medical.

Net revenues from Broadcast, Consumer & Automotive increased slightly in fiscal 2017 from the comparable prior year period. The increase was due to higher sales from automotive. Net revenues from Broadcast, Consumer & Automotive increased in fiscal

2016 from the comparable prior year period. The increase in fiscal 2016 was due to higher sales from automotive, but was partially offset by a decline in sales from audio, video and broadcast.

Net Revenues by Geography

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

(In millions)	2017	% of Total	% Change	2016	% of Total	% Change	2015
North America	$ 738.4	31	4	$ 710.7	32	(4)	$ 738.3
Asia Pacific	956.1	41	12	855.9	39	(8)	930.6
Europe	456.6	20	8	424.7	19	(11)	477.1
Japan	198.2	8	(11)	222.6	10	(4)	231.3
Total net revenues	$ 2,349.3	100	6	$ 2,213.9	100	(7)	$ 2,377.3

Net revenues in North America increased in fiscal 2017 from the comparable prior year period. The increase was primarily due to higher sales from test and measurement. Net revenues in North America decreased in fiscal 2016 from the comparable prior year period. The decrease was primarily due to a decline in sales from certain key programs within aerospace and defense; and to a lesser extent from wireless communications as well.

Net revenues in Asia Pacific increased in fiscal 2017 from the comparable prior year period. The increase in fiscal 2017 was primarily due to higher sales from wireless communications. Net revenues in Asia Pacific decreased in fiscal 2016 from the comparable prior year period, which was primarily driven by decrease in sales from Communications & Data Center.

Net revenues in Europe increased in fiscal 2017 from the comparable prior year period. The increase was primarily due to higher sales from test and measurement, and was partially offset by lower revenues from wireless communications. Net revenues in Europe decreased in fiscal 2016 from the comparable prior year period as a result of weaker sales from wireless communications, which was partially offset by increases in sales from test and measurement and automotive applications

Net revenues in Japan decreased in both fiscal 2017 and in fiscal 2016 from the comparable prior year periods. The decrease in fiscal 2017 was primarily driven by lower sales in industrial, scientific and medical, while the decrease in fiscal 2016 was primarily driven by lower sales in Communications & Data Center, which more than offset the increase in sales from automotive.

Gross Margin

(In millions)	2017	Change	2016	Change	2015
Gross margin	$ 1,641.1	6%	$ 1,542.0	(8)%	$ 1,668.5
Percentage of net revenues	69.9%		69.7%		70.2%

Gross margin was slightly higher by 0.2 percentage point in fiscal 2017 from the comparable prior year period. The slight increase in gross margin was primarily due to end-market mix. Gross margin was 0.5 percentage point lower in fiscal 2016 from the comparable prior year period. The decrease in gross margin was primarily due to increased manufacturing overhead expenses from the ramp of Advanced Products.

Gross margin may be affected in the future due to multiple factors, including but not limited to those set forth above in "Risk Factors," included in Part I of this Form 10-K, shifts in the mix of customers and products, competitive-pricing pressure, manufacturing-yield issues and wafer pricing. We expect to mitigate any adverse impacts from these factors by continuing to improve yields on our Advanced Products, improve manufacturing efficiencies and improve average selling price management.

Sales of inventory previously written off were not material during all periods presented.

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

Research and Development

(In millions)	2017	Change	2016	Change	2015
Research and development	$ 601.4	13%	$ 533.9	2%	$ 525.7
Percentage of net revenues	26%		24%		22%

R&D spending increased $67.5 million, or 13% , during fiscal 2017 from the comparable prior year period. The increase was primarily attributable to higher mask and wafer spending and employee compensation (including stock-based compensation) related to our new product development. R&D spending increased $8.2 million, or 2% , during fiscal 2016 from the comparable prior year period. The increase was primarily attributable to higher employee compensation (including stock-based compensation) related to our next generation product development, partially offset by a decrease in mask and wafer spending due to development timing.

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

Selling, General and Administrative

(In millions)	2017	Change	2016	Change	2015
Selling, general and administrative	$ 335.2	1%	$ 331.7	(6)%	$ 353.7
Percentage of net revenues	14%		15%		15%

SG&A expenses increased slightly by $3.5 million or 1% during fiscal 2017 from the comparable prior year period as we incurred higher employee compensation in fiscal 2017 (including stock based compensation) due to higher headcount to enable revenue growth. SG&A expenses decreased $22.0 million or 6% during fiscal 2016 from the comparable prior year period as we incurred lower variable spending (due to lower revenues) and employee compensation in fiscal 2016 (primarily due to restructuring measures that we implemented during the fourth quarter of fiscal 2015).

Restructuring Charges

During the fourth quarter of fiscal 2015, we announced restructuring measures designed to realign resources and drive overall operating efficiencies. These measures impacted approximately 120 positions, or 3% of our global workforce, in various geographies and functions worldwide. The Company recorded total restructuring charges of $24.5 million in the fourth quarter of fiscal 2015, primarily related to severance pay expenses and write-offs of acquisition-related intangibles. As of the end of fiscal 2017, there was no balance remaining on the accrual.

Amortization of Acquisition-Related Intangibles

(In millions)	2017	Change	2016	Change	2015
Amortization of acquisition-related intangibles	$ 5.1	(22)%	$ 6.6	(31)%	$ 9.5
Percentage of net revenues	—%		—%		—%

The amortization expense decreased in fiscal 2017 and 2016 as compared to prior year periods. The decreases were due to certain intangibles that were fully amortized in fiscal 2016 and during fiscal 2017.

Stock-Based Compensation

(In millions)	2017	Change	2016	Change	2015
Stock-based compensation included in:					
Cost of revenues	$ 8.0	—%	$ 8.0	(2)%	$ 8.1
Research and development	66.9	12%	59.7	19 %	50.2
Selling, general and administrative	48.0	8%	44.3	8 %	41.0
Restructuring	—	—%	—	(100)%	0.6
	$ 122.9	10%	$ 112.0	12 %	$ 99.9

The $10.9 million and $12.1 million increases in stock-based compensation expense for fiscal 2017 and 2016 , respectively, as compared to the prior year periods were primarily related to higher expenses associated with restricted stock units, as we granted restricted stock units at a higher fair value in the recent years.

Interest and Other Expense, Net

(In millions)	2017	Change	2016	Change	2015
Interest and other expense, net	$ 8.3	(75)%	$ 33.1	120%	$ 15.0
Percentage of net revenues	—%		1%		1%

Our net interest and other expense decreased by $24.8 million in fiscal 2017 from the comparable prior year period. The decrease was primarily due to higher interest income from our investment portfolio as a result of rising interest rate environment in the recent year. The increase in net interest and other expense in fiscal 2016 from the prior year period was primarily due to a smaller gain on the sale of securities in our investment portfolio, partially offset by higher interest income from the investment portfolio. During fiscal 2015 we also had a gain on sale of land, which we did not have in fiscal 2016.

Provision for Income Taxes

(In millions)	2017	Change	2016	Change	2015
Provision for income taxes	$ 68.6	(20)%	$ 86.0	(6)%	$ 91.9
Percentage of net revenues	3%		4%		4%
Effective tax rate	10%		13%		12%

The difference between the U.S. federal statutory tax rate of 35% and our effective tax rate in all periods is primarily due to income earned in lower tax rate jurisdictions, for which no U.S. income tax has been provided, as we intend to permanently reinvest these earnings outside of the U.S.

The decrease in effective tax rate in fiscal 2017 compared with fiscal 2016 was primarily due to fiscal 2017 benefits from the adoption of new accounting guidance with respect to share-based payment accounting and the release of reserves for uncertain tax positions upon completion of the Internal Revenue Service examination of fiscal 2012 through 2014.

The increase in effective tax rate in fiscal 2016 compared with fiscal 2015 was primarily due to a decrease in the amount of permanently reinvested foreign earnings for which no U.S. taxes were provided. This was partially offset by a decrease to the tax rate due to a shift in geographic mix of earnings with less earnings subject to U.S. tax.

Financial Condition, Liquidity and Capital Resources

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

Fiscal 2017 Compared to Fiscal 2016

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

The combination of cash, cash equivalents and short-term and long-term investments as of April 1, 2017 and April 2, 2016 totaled $3.44 billion and $3.56 billion , respectively. As of April 1, 2017 , we had cash, cash equivalents and short-term investments of $3.32 billion and working capital of $2.98 billion . As of April 2, 2016 , cash, cash equivalents and short-term investments were $3.34 billion and working capital was $2.97 billion .

As of April 1, 2017 , we had $2.84 billion of cash, cash equivalents and short-term investments held by our non-U.S. jurisdictions. From a financial statement perspective, approximately $1.13 billion of the $2.84 billion held by our non-U.S. jurisdictions was available for use in the U.S. without accruing additional U.S. income taxes in excess of the amounts already accrued in our financial statements as of April 1, 2017 . The remaining amount of non-U.S. cash, cash equivalents and short-term investments was permanently reinvested and, therefore, no U.S. current or deferred taxes accrued on this amount, which is intended for investment in our operations outside the U.S. We believe our U.S. sources of cash and liquidity are sufficient to meet our business needs in the U.S. and do not expect that we will need to repatriate the funds we have designated as permanently reinvested outside the U.S. Under current tax laws, should our plans change and we were to choose to repatriate some or all of the funds we have designated as permanently reinvested outside the U.S., such amounts would be subject to U.S. income taxes and applicable non-U.S. income and withholding taxes.

During fiscal 2017 , our operations generated net positive cash flow of $934.1 million , which was $187.8 million higher than the $746.3 million generated during fiscal 2016 . The positive cash flow from operations generated during fiscal 2017 was primarily from net income as adjusted for non-cash related items, decrease in accounts receivable and increases in accrued liabilities, accounts payable and income taxes payable. These items were partially offset by increases in inventories and other assets.

Net cash provided by investing activities was $494.0 million during fiscal 2017 as compared to net cash used in investing activities of $423.9 million in fiscal 2016 . Net cash provided by investing activities during fiscal 2017 consisted of $587.4 million of net sales of available-for-sale securities, partially offset by $72.1 million of purchases of property, plant and equipment and $21.4 million of other investing activities.

Net cash used in financing activities was $965.2 million in fiscal 2017 , as compared to $711.1 million in fiscal 2016 . Net cash used in financing activities during fiscal 2017 consisted of $522.0 million of payment to repurchase common stock, $332.5 million of dividend payments to stockholders and $142.1 million of payment for conversion of our 2017 Convertible Notes, partially offset by $32.8 million of net proceeds from issuance of common stock under employee stock plans.

Accounts Receivable

Accounts receivable decreased by $63.5 million and days sales outstanding (DSO) decreased to 38 days at April 1, 2017 from 52 days at April 2, 2016 . The decrease was primarily due to timing of customer shipments and collections.

Inventories

Inventories increased to $227.0 million as of April 1, 2017 from $178.6 million as of April 2, 2016 , while combined inventory days at Xilinx and distribution increased to 127 days at April 1, 2017 from 109 days at April 2, 2016 . 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 as well as address potential supply constraints. Conversely, we also attempt to minimize the handling costs associated with maintaining higher inventory levels and to fully realize the opportunities for cost reductions associated with architecture and manufacturing process advancements. We continually strive to balance these two objectives to provide excellent customer response at a competitive cost.

Property, Plant and Equipment

During fiscal 2017 , we invested $72.1 million in property, plant and equipment, as compared to $34.0 million in fiscal 2016 . Primary investments in fiscal 2017 were for building improvements, computer equipment and equipment related to the support of our new products development and infrastructures.

Current Liabilities

Current liabilities decreased to $897.2 million at the end of fiscal 2017 from $944.4 million at the end of fiscal 2016 . The change was primarily due to a payment of $142.1 million for conversion of our 2017 Convertible Notes, which was partially offset by increases of $50.0 million in other accrued liabilities and $22.3 million in accrued payroll and related liabilities.

Temporary and Stockholders' Equity

Temporary and stockholders' equity decreased $93.7 million during fiscal 2017 from $2.60 billion in fiscal 2016 to $2.51 billion in fiscal 2017 . The decrease was primarily due to repurchase of common stock of approximately $522.0 million , $332.5 million of payment of dividends to stockholders and $18.1 million of other comprehensive loss. These decreases were partially offset by $622.5 million in net income for fiscal 2017 , $122.9 million of stock-based compensation and $32.8 million of net issuance of common stock under employee stock plans.

Fiscal 2016 Compared to Fiscal 2015

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

The combination of cash, cash equivalents and short-term and long-term investments as of April 2, 2016 and March 28, 2015 totaled $3.56 billion and $3.57 billion, respectively. As of April 2, 2016 , we had cash, cash equivalents and short-term investments of $3.34 billion and working capital of $2.97 billion . As of March 28, 2015 , cash, cash equivalents and short-term investments were $3.30 billion and working capital was $2.97 billion.

As of April 2, 2016 , we had $2.24 billion of cash, cash equivalents and short-term investments held by our non-U.S. jurisdictions. From a financial statement perspective, approximately $992.2 million of the $2.24 billion held by our non-U.S. jurisdictions was available for use in the U.S. without accruing additional U.S. income taxes in excess of the amounts already accrued in our financial statements as of April 2, 2016 . The remaining amount of non-U.S. cash, cash equivalents and short-term investments was permanently reinvested and, therefore, no U.S. current or deferred taxes accrued on this amount, which is intended for investment in our operations outside the U.S. We believe our U.S. sources of cash and liquidity are sufficient to meet our business needs in the U.S. and do not expect that we will need to repatriate the funds we have designated as permanently reinvested outside the U.S. Under current tax laws, should our plans change and we were to choose to repatriate some or all of the funds we have designated as permanently reinvested outside the U.S., such amounts would be subject to U.S. income taxes and applicable non-U.S. income and withholding taxes.

During fiscal 2016 , our operations generated net positive cash flow of $746.3 million , which was $64.1 million lower than the $810.4 million generated during fiscal 2015. The positive cash flow from operations generated during fiscal 2016 was primarily from net income as adjusted for non-cash related items, decrease in inventories and increase in accounts payable. These items were partially offset by increases in accounts receivable and other assets as well as decreases in accrued liabilities, deferred income on shipments to distributors and income taxes payable.

Net cash used in investing activities was $423.9 million during fiscal 2016 , as compared to net cash provided by investing activities of $13.0 million in fiscal 2015 . Net cash used in investing activities during fiscal 2016 consisted of $380.0 million of net purchases of available-for-sale securities, $34.0 million for purchases of property, plant and equipment and $10.0 million of other investing activities.

Net cash used in financing activities was $711.1 million in fiscal 2016 , as compared to $904.5 million in fiscal 2015 . Net cash used in financing activities during fiscal 2016 consisted of $443.2 million of cash payment for repurchase of common stock and $319.0 million of dividend payments to stockholders, which was partially offset by $51.1 million of proceeds from issuance of common stock under employee stock plans.

Accounts Receivable

Accounts receivable increased by $60.8 million and DSO increased to 52 days at April 2, 2016 from 38 days at March 28, 2015 . The increase was primarily due to timing of customer shipments and collections.

Inventories

Inventories decreased to $178.6 million as of April 2, 2016 from $231.3 million as of March 28, 2015 , while combined inventory days at Xilinx and distribution decreased to 109 days at April 2, 2016 from 130 days at March 28, 2015 . 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 as well as address potential supply constraints. Conversely, we also attempt to minimize the handling costs associated with maintaining higher inventory levels and to fully realize the opportunities for cost reductions associated with architecture and manufacturing process advancements. We continually strive to balance these two objectives to provide excellent customer response at a competitive cost.

Property, Plant and Equipment

During fiscal 2016 , we invested $34.0 million in property, plant and equipment, as compared to $29.6 million in fiscal 2015 . Primary investments in fiscal 2016 were for building improvements, computer equipment and equipment related to the support of our new products development and infrastructures.

Current Liabilities

Current liabilities decreased to $944.4 million at the end of fiscal 2016 from $960.1 million at the end of fiscal 2015 . The change was primarily due to a decrease in other accrued liabilities, deferred income on shipments to distributors and income taxes payable. These decreases were partially offset by increases in accounts payable and current portion of long-term debt.

Temporary and Stockholders' Equity

Temporary and stockholders' equity decreased $32.8 million during fiscal 2016 from $2.64 billion in fiscal 2015 to $2.60 billion in fiscal 2016 . The decrease was primarily due to repurchase of common stock of approximately $443.2 million, $319.0 million of payment of dividends to stockholders. These decreases were partially offset by $550.9 million in net income for fiscal 2016 , $112.0 million of stock-based compensation, $51.1 million of net issuance of common stock under employee stock plans and $4.5 million decrease for other comprehensive loss.

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 $400.0 million revolving credit facility entered into in December 2016 (expiring in December 2021). We are not aware of any lack of access to the revolving credit facility; however, we can provide no assurance that access to the credit facility will not be impacted by adverse conditions in the financial markets. Our credit facility is not reliant upon a single bank. There have been no borrowings to date under our existing revolving credit facility.

We repurchased 9.9 million shares of our common stock for approximately $522.0 million during fiscal 2017 . During fiscal 2016, we repurchased 9.7 million shares of common stock for approximately $443.2 million. During fiscal 2017 , we paid $332.5 million in cash dividends to stockholders, representing $1.32 per common share. During fiscal 2016 , we paid $319.0 million in cash dividends to stockholders, representing $1.24 per common share. On April 25, 2017, our Board of Directors declared a cash dividend of $0.35 per common share for the first quarter of fiscal 2018 . The dividend is payable on June 1, 2017 to stockholders of record as of May 16, 2017. Our common stock and debentures repurchase program and dividend policy could be impacted by, among other items, our views on potential future capital requirements relating to R&D, investments and acquisitions, legal risks, principal and interest payments on our debentures and other strategic investments.

We anticipate that existing sources of liquidity and cash flows from operations will be sufficient to satisfy our cash needs for the foreseeable future. We will continue to evaluate opportunities for investments to obtain additional wafer capacity, to procure additional capital equipment and facilities, to develop new products, and to potentially acquire technologies or businesses that could complement our business. However, the risk factors discussed in Item 1A and below could affect our cash positions adversely.

Contractual Obligations

The following table summarizes our significant contractual obligations as of April 1, 2017 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 accounts payable and other accrued liabilities as of April 1, 2017 .

(In millions)	Payments Due by Period Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating lease obligations (1)	$ 18.5	$ 5.6	$ 7.7	$ 4.7	$ 0.5
Inventory and other purchase obligations (2)	112.6	112.6	—	—	—
Electronic design automation and other licenses (3)	67.4	28.4	24.0	9.7	5.3
2017 Convertible Notes-principal and interest (4)	460.4	460.4	—	—	—
2019 and 2021 Notes-principal and interest (4)	1,080.3	24.7	540.6	515.0	—
Total	$ 1,739.2	$ 631.7	$ 572.3	$ 529.4	$ 5.8

(1) We lease some of our facilities, office buildings and land under non-cancelable operating leases that expire at various dates through November 2035. Rent expense, net of rental income, under all operating leases was approximately $5 million for fiscal 2017 . See "Note 8. Commitments" to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for additional information about operating leases.

(2) Due to the nature of our business, we depend entirely upon subcontractors to manufacture our silicon wafers and provide assembly and some test services. The lengthy subcontractor lead times require us to order the materials and services in advance, and we are obligated to pay for the materials and services when completed. We expect to receive and pay for these materials and services in the next three to six months, as the products meet delivery and quality specifications.

(3) As of April 1, 2017 , we had $48.8 million of non-cancelable license obligations to providers of electronic design automation software and hardware/software maintenance and $18.6 million of other license expiring at various dates through March 2024.

(4) For purposes of this table we have assumed the outstanding principal of our debentures will be paid on maturity dates, which is June 15, 2017 for the 2017 Convertible Notes, March 15, 2019 for the 2019 Notes and March 15, 2021 for the 2021 Notes. See "Note 12. Debt and Credit Facility" to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data," for additional information about our debentures.

As of April 1, 2017 , $4.5 million of liabilities for uncertain tax positions and related interest and penalties were classified as long-term income taxes payable in the consolidated balance sheet. Because the Company is unable to reasonably estimate the timing of settlements and any future payments related to uncertain tax positions, these liabilities have been excluded from the contractual obligations table above.

Off-Balance-Sheet Arrangements

As of April 1, 2017 , we did not have any significant off-balance-sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Recent Accounting Pronouncements

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

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 $3.07 billion as of April 1, 2017 . Our primary aim with our investment portfolio is to invest available cash while preserving principal and meeting liquidity needs. Our investment portfolio includes municipal bonds, mortgage-backed securities, financial institution securities, non-financial institution securities, student loan auction rate securities, U.S. and foreign government and agency securities, asset-backed securities, bank loans and debt mutual funds. In accordance with our investment policy, we place investments with high credit quality issuers and limit the amount of credit exposure to any one issuer based upon the issuer's credit rating. These securities are subject to interest rate risk and will decrease in value if market interest rates increase. A hypothetical 100 basis-point (one percentage point) increase or decrease in interest rates compared to rates at April 1, 2017 and April 2, 2016 would have affected the fair value of our investment portfolio by approximately $60.0 million and $50.0 million, respectively.

Credit Market Risk

The global credit markets may experience adverse conditions that negatively impact the values of various types of investment and non-investment grade securities. The global credit and capital markets may experience significant volatility and disruption due to instability in the global financial system, uncertainty related to global economic conditions and concerns regarding sovereign financial stability. Therefore, there is a risk that we may incur other-than-temporary impairment charges for certain types of investments should credit market conditions deteriorate. See "Note 4. Financial Instruments" to our consolidated financial statements, included in Item 8. "Financial Statements and Supplementary Data."

Foreign Currency Exchange Risk

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

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

We enter into forward currency exchange contracts to hedge our overseas operating expenses and other liabilities when deemed appropriate. As of April 1, 2017 and April 2, 2016 , we had the following outstanding forward currency exchange contracts (in notional amount):

(In millions and U.S. dollars)	April 1, 2017	April 2, 2016
Singapore Dollar	$ 22.0	$ 27.0
Euro	18.6	19.1
Indian Rupee	31.1	23.3
British Pound	10.8	10.7
Japanese Yen	3.8	3.4
	$ 86.3	$ 83.5

As part of our strategy to reduce volatility of operating expenses due to foreign exchange rate fluctuations, we employ a hedging program with forward outlook of up to two years for major foreign-currency-denominated operating expenses. The outstanding forward currency exchange contracts expire at various dates through February 2019 . The net unrealized gains, which approximate the fair market value of the forward currency exchange contracts, are expected to be recognized in the consolidated statements of income within the next two years.

Our investments in several of our wholly-owned subsidiaries are recorded in currencies other than the U.S. dollar. As the financial statements of these subsidiaries are translated at each quarter end during consolidation, fluctuations of exchange rates between the foreign currency and the U.S. dollar increase or decrease the value of those investments. These fluctuations are recorded within stockholders' equity as a component of accumulated other comprehensive income (loss). Other monetary foreign-denominated assets and liabilities are revalued on a monthly basis with gains and losses on revaluation reflected in net income. A hypothetical 10% favorable or unfavorable change in foreign currency exchange rates at April 1, 2017 and April 2, 2016 would have affected the annualized foreign-currency-denominated operating expenses of our foreign subsidiaries by less than $10 million for each year. In addition, a hypothetical 10% favorable or unfavorable change in foreign currency exchange rates compared to rates at April 1, 2017 and April 2, 2016 would have affected the value of foreign-currency-denominated cash and investments by less than $5.0 million as of each date.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

XILINX, INC.
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended		
(In thousands, except per share amounts)	**April 1, 2017**	**April 2, 2016**	**March 28, 2015**
Net revenues	$ 2,349,330	$ 2,213,881	$ 2,377,344
Cost of revenues	708,216	671,907	708,823
Gross margin	1,641,114	1,541,974	1,668,521
Operating expenses:			
Research and development	601,443	533,891	525,745
Selling, general and administrative	335,150	331,652	353,670
Amortization of acquisition-related intangibles	5,127	6,550	9,537
Restructuring charges	—	—	24,491
Total operating expenses	941,720	872,093	913,443
Operating income	699,394	669,881	755,078
Interest and other expense, net	8,314	33,056	15,002
Income before income taxes	691,080	636,825	740,076
Provision for income taxes	68,568	85,958	91,860
Net income	$ 622,512	$ 550,867	$ 648,216
Net income per common share:			
Basic	$ 2.47	$ 2.14	$ 2.44
Diluted	$ 2.32	$ 2.05	$ 2.35
Shares used in per share calculations:			
Basic	252,301	257,184	265,480
Diluted	268,813	268,667	276,123

See notes to consolidated financial statements.

XILINX, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended		
(In thousands)	**April 1, 2017**	**April 2, 2016**	**March 28, 2015**
Net income	$ 622,512	$ 550,867	$ 648,216
Other comprehensive income (loss), net of tax:			
Net change in unrealized gains (losses) on available-for-sale securities	(12,712)	(916)	7,483
Reclassification adjustment for gains on available-for-sale securities	(3,119)	(106)	(6,832)
Net change in unrealized gains (losses) on hedging transactions	(1,296)	15,004	(11,074)
Reclassification adjustment for (gains) losses on hedging transactions	1,701	(7,225)	2,753
Cumulative translation adjustment, net	(2,624)	(2,239)	(2,931)
Other comprehensive income (loss)	(18,050)	4,518	(10,601)
Total comprehensive income	$ 604,462	$ 555,385	$ 637,615

See notes to consolidated financial statements.

XILINX, INC.
CONSOLIDATED BALANCE SHEETS

(In thousands, except par value amounts)	April 1, 2017	April 2, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 966,695	$ 503,816
Short-term investments	2,354,762	2,833,883
Accounts receivable, net of allowances for doubtful accounts of $3,200 and $3,341 in 2017 and 2016, respectively	243,915	307,458
Inventories	227,033	178,550
Prepaid expenses and other current assets	87,711	92,951
Total current assets	3,880,116	3,916,658
Property, plant and equipment, at cost:		
Land	65,298	65,298
Buildings	339,923	310,795
Machinery and equipment	383,681	390,573
Furniture and fixtures	50,556	43,916
	839,458	810,582
Accumulated depreciation and amortization	(535,633)	(527,236)
Net property, plant and equipment	303,825	283,346
Long-term investments	116,288	220,807
Goodwill	161,287	159,296
Acquisition-related intangibles, net	3,576	6,202
Other assets	275,440	232,960
Total Assets	$ 4,740,532	$ 4,819,269
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 108,293	$ 101,534
Accrued payroll and related liabilities	176,601	154,294
Income taxes payable	6,309	6,286
Deferred income on shipments to distributors	54,567	51,758
Other accrued liabilities	95,098	45,108
Current portion of long-term debt	456,328	585,417
Total current liabilities	897,196	944,397
Long-term debt	995,247	993,639
Deferred tax liabilities	317,639	261,467
Long-term income taxes payable	4,503	15,889
Other long-term liabilities	16,908	1,090
Commitments and contingencies	—	—
Temporary equity (Note 12)	1,406	12,894
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; 248,027 and 253,687 shares issued and outstanding in 2017 and 2016, respectively	2,480	2,537
Additional paid-in capital	803,522	726,921
Retained earnings	1,726,312	1,867,066
Accumulated other comprehensive loss	(24,681)	(6,631)
Total stockholders' equity	2,507,633	2,589,893
Total Liabilities, Temporary Equity and Stockholders' Equity	$ 4,740,532	$ 4,819,269

See notes to consolidated financial statements.

XILINX, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Years Ended April 1, 2017	April 2, 2016	March 28, 2015
Cash flows from operating activities:			
Net income	$ 622,512	$ 550,867	$ 648,216
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	45,423	50,828	55,266
Amortization	17,203	17,613	19,648
Stock-based compensation	122,858	111,984	99,859
Net gain on sale of available-for-sale securities	(3,532)	(370)	(11,878)
Amortization of debt discount on convertible debentures	11,692	12,048	12,022
Provision for deferred income taxes	67,482	44,128	17,802
Others	1,698	2,000	122
Changes in assets and liabilities:			
Accounts receivable, net	63,543	(60,843)	21,219
Inventories	(48,244)	52,323	2,664
Prepaid expenses and other current assets	(1,000)	(1,261)	(13,118)
Other assets	(20,557)	(11,945)	(531)
Accounts payable	10,983	21,422	(69,583)
Accrued liabilities (including restructuring activities)	33,788	(16,592)	1,795
Income taxes payable	7,473	(11,635)	15,967
Deferred income on shipments to distributors	2,809	(14,312)	10,972
Net cash provided by operating activities	934,131	746,255	810,442
Cash flows from investing activities:			
Purchases of available-for-sale securities	(2,817,197)	(3,262,324)	(3,742,742)
Proceeds from sale and maturity of available-for-sale securities	3,404,577	2,882,342	3,756,021
Purchases of property, plant and equipment	(72,051)	(34,004)	(29,619)
Other investing activities	(21,379)	(9,950)	29,296
Net cash provided by (used in) investing activities	493,950	(423,936)	12,956
Cash flows from financing activities:			
Repurchases of common stock	(522,045)	(443,181)	(651,006)
Restricted stock units withholdings	(35,392)	(34,671)	(38,298)
Proceeds from issuance of common stock through various stock plans	68,184	85,765	90,959
Payment of dividends to stockholders	(332,542)	(318,988)	(306,158)
Repayment of convertible debt	(142,082)	—	—
Other financing activities	(1,325)	—	—
Net cash used in financing activities	(965,202)	(711,075)	(904,503)
Net increase (decrease) in cash and cash equivalents	462,879	(388,756)	(81,105)
Cash and cash equivalents at beginning of period	503,816	892,572	973,677
Cash and cash equivalents at end of period	$ 966,695	$ 503,816	$ 892,572
Supplemental disclosure of cash flow information:			
Interest paid	$ 41,375	$ 41,375	$ 41,589
Income taxes paid (refunded), net	$ (6,341)	$ 53,425	$ 57,896

See notes to consolidated financial statements.

XILINX, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except per share amounts)	Common Stock Outstanding Shares	Common Stock Outstanding Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance as of March 29, 2014	268,637	$ 2,686	$ 805,073	$ 1,945,471	$ (548)	$ 2,752,682
Components of comprehensive income:						
Net income	—	—	—	648,216	—	648,216
Other comprehensive loss	—	—	—	—	(10,601)	(10,601)
Issuance of common shares under employee stock plans, net	5,058	51	52,610	—	—	52,661
Repurchase and retirement of common stock	(15,355)	(154)	(328,585)	(321,251)	—	(649,990)
Stock-based compensation expense	—	—	99,859	—	—	99,859
Stock-based compensation capitalized in inventory	—	—	(5)	—	—	(5)
Temporary equity reclassification	—	—	11,052	—	—	11,052
Cash dividends declared ($1.16 per common share)	—	—	—	(306,158)	—	(306,158)
Net excess tax benefits from stock-based compensation	—	—	13,878	—	—	13,878
Balance as of March 28, 2015	258,340	2,583	653,882	1,966,278	(11,149)	2,611,594
Components of comprehensive income:						
Net income	—	—	—	550,867	—	550,867
Other comprehensive income	—	—	—	—	4,518	4,518
Issuance of common shares under employee stock plans, net	5,043	51	51,043	—	—	51,094
Repurchase and retirement of common stock	(9,696)	(97)	(111,993)	(331,091)	—	(443,181)
Stock-based compensation expense	—	—	111,984	—	—	111,984
Stock-based compensation capitalized in inventory	—	—	(455)	—	—	(455)
Temporary equity reclassification	—	—	11,052	—	—	11,052
Cash dividends declared ($1.24 per common share)	—	—	—	(318,988)	—	(318,988)
Net excess tax benefits from stock-based compensation	—	—	11,408	—	—	11,408
Balance as of April 2, 2016	253,687	2,537	726,921	1,867,066	(6,631)	2,589,893
Components of comprehensive income:						
Net income	—	—	—	622,512	—	622,512
Other comprehensive loss	—	—	—	—	(18,050)	(18,050)
Issuance of common shares under employee stock plans, net	4,195	42	32,751	—	—	32,793
Repurchase and retirement of common stock	(9,855)	(99)	(91,223)	(430,724)	—	(522,046)
Stock-based compensation expense	—	—	122,858	—	—	122,858
Stock-based compensation capitalized in inventory	—	—	239	—	—	239
Temporary equity reclassification	—	—	11,488	—	—	11,488
Convertible debt conversion (Note 12)	—	—	488	—	—	488
Cash dividends declared ($1.32 per common share)	—	—	—	(332,542)	—	(332,542)
Balance as of April 1, 2017	248,027	$ 2,480	$ 803,522	$ 1,726,312	$ (24,681)	$ 2,507,633

See notes to consolidated financial statements.

XILINX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Operations

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

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

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Xilinx and its wholly-owned subsidiaries after elimination of all intercompany transactions. The Company uses a 52 - to 53 -week fiscal year ending on the Saturday nearest March 31. Fiscal 2017 and 2015 were a 52-week year ended on April 1, 2017 and March 28, 2015, respectively. Fiscal 2016 was a 53-week year, ended on April 2, 2016 . Fiscal 2018 will be a 52-week year ending on March 31, 2018 .

Use of Estimates

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

Cash Equivalents and Investments

Cash equivalents consist of highly liquid investments with original maturities from the date of purchase of three months or less. These investments consist of money market funds, non-financial institution securities, U.S. and foreign government and agency securities and financial institution securities. Short-term investments consist of mortgage-backed securities, non-financial institution securities, U.S. and foreign government and agency securities, financial institution securities, asset-back securities, commercial mortgage-backed securities, bank loans and debt mutual funds with original maturities greater than three months and remaining maturities less than one year from the balance sheet date. Long-term investments consist of mortgage-backed securities, debt mutual funds and asset-backed securities 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 with 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, U.S. and foreign government and agency securities, asset-backed securities, mortgage-backed securities, commercial mortgage-backed securities, bank time deposits, bank loans and debt mutual funds. This diversification of investments is consistent with its policy to maintain liquidity and ensure the ability to collect principal. The Company maintains an offshore investment portfolio denominated in U.S. dollars. All investments are made pursuant to corporate investment policy guidelines. Investments include Euro commercial paper, Euro dollar bonds, Euro dollar floating rate notes, offshore time deposits, U.S. and foreign government and agency securities, asset-backed securities, bank loans and mortgage-backed securities issued by U.S. government-sponsored enterprises and agencies.

Management classifies investments as available-for-sale or held-to-maturity at the time of purchase and re-evaluates such designation at each balance sheet date, although classification is not generally changed. Securities are classified as held-to-maturity when the Company has the positive intent and the ability to hold the securities until maturity. Held-to-maturity securities are carried at cost adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization, as well as any interest on the securities, is included in interest income. No investments were classified as held-to-maturity as of April 1, 2017 or April 2, 2016 . Available-for-sale securities are carried at fair value with the unrealized gains or losses, net of tax, included as a component of accumulated other comprehensive income (loss) in stockholders' equity. See "Note 3. Fair Value Measurements" for information relating to the determination of fair value. Realized gains and losses on available-for-sale securities and declines in value judged to be other than temporary are included in interest and other expense, net. In determining if and when a decline in value below the adjusted cost of marketable debt and equity securities is other than temporary, we evaluate on an ongoing basis the market conditions, trends of earnings, financial condition, credit ratings, any underlying collateral and other key measures for our investments. The cost of securities matured or sold is based on the specific identification method.

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

Accounts Receivable

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

Inventories

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

(In thousands)	April 1, 2017	April 2, 2016
Raw materials	$ 14,517	$ 15,346
Work-in-process	161,120	123,675
Finished goods	51,396	39,529
	$ 227,033	$ 178,550

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. 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 forecasts are developed based on inputs from the Company's customers, including bookings and extended but uncommitted demand forecasts, and internal analyses such as customer historical purchasing trends and actual and anticipated design wins, as well as market and economic conditions, technology changes, new product introductions and changes in strategic direction. These factors require estimates that may include uncertain elements. The estimates of future demand that the Company uses in the valuation of inventory are the basis for its published revenue forecasts, which are also consistent with our short-term manufacturing plans. The differences between the Company's demand forecast and the actual demand in the recent past have not resulted in any material write down in the Company's inventory. If the Company's demand forecast for specific products is greater than actual demand and the Company fails to reduce manufacturing output accordingly, the Company could be required to write down additional inventory, which would have a negative impact on the Company's gross margin.

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 $45.4 million , $50.8 million and $55.3 million for fiscal 2017 , 2016 and 2015 , respectively.

Impairment of Long-Lived Assets

The Company evaluates the carrying value of long-lived 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

Goodwill is not amortized but is subject to impairment tests on an annual basis, or more frequently if indicators of potential impairment exist, using a fair-value-based approach. Based on the impairment review performed during the fourth quarter of fiscal 2017 , there was no impairment of goodwill in fiscal 2017 . 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 2018 . To date, no impairment indicators have been identified.

Revenue Recognition

Sales to distributors are made under agreements providing distributor price adjustments and rights of return under certain circumstances. Revenue and costs relating to distributor sales are deferred until products are sold by the distributors to the distributors' end customers. For fiscal 2017 , approximately 52% of the Company's net revenues were from products sold to distributors for subsequent resale to OEMs or their subcontract manufacturers. Revenue recognition depends on notification from the distributor that product has been sold to the distributor's end customer. Also reported by the distributor are product resale price, quantity and end customer shipment information, as well as inventory on hand. Reported distributor inventory on hand is reconciled to deferred revenue balances monthly. The Company maintains system controls to validate distributor data and to verify that the reported information is accurate. Deferred income on shipments to distributors reflects the estimated effects of distributor price adjustments and the amount of gross margin expected to be realized when distributors sell through product purchased from the Company. Accounts receivable from distributors are recognized and inventory is relieved when title to inventories transfers, typically upon shipment from Xilinx at which point the Company has a legally enforceable right to collection under normal payment terms.

As of April 1, 2017 , the Company had $74.2 million of deferred revenue and $19.6 million of deferred cost of revenues recognized as a net $54.6 million of deferred income on shipments to distributors. As of April 2, 2016 , the Company had $70.9 million of deferred revenue and $19.1 million of deferred cost of revenues recognized as a net $51.8 million of deferred income on shipments to distributors. The deferred income on shipments to distributors that will ultimately be recognized in the Company's consolidated statement of income will be different than the amount shown on the consolidated balance sheet due to actual price adjustments issued to the distributors when the product is sold to their end customers.

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

Revenue from software licenses is deferred and recognized as revenue over the term of the licenses of one year. Revenue from support services is recognized when the service is performed. Revenue from software licenses and support services sales were less than 5% 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.

Foreign Currency Translation

The U.S. dollar is the functional currency for the Company's Ireland and Singapore subsidiaries. Monetary 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 expense, net. The remeasurement gains or losses were immaterial for all fiscal periods presented.

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

Derivative Financial Instruments

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

Research and Development Expenses

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

Stock-Based Compensation

The Company has equity incentive plans that are more fully discussed in "Note 6. Stock-Based Compensation Plans." The authoritative guidance of accounting for share-based payment requires the Company to measure the cost of all employee equity awards (that are expected to be exercised or vested) based on the grant-date fair value of those awards, and to record that cost as compensation expense over the period during which the employee is required to perform service in exchange for the award (over the vesting period of the award). Additionally, the Company's ESPP is deemed to be a compensatory plan under the authoritative guidance of accounting for share-based payments. Accordingly, the ESPP is included in the computation of stock-based compensation expense. In the first quarter of fiscal 2017, the Company early adopted the authoritative guidance which requires excess tax benefits or tax deficiencies to be recorded in the consolidated statement of income when the awards vest or are settled. See "Recent Accounting Pronouncements Adopted" section below for full details.

The Company uses the straight-line attribution method to recognize stock-based compensation costs over the requisite service period of the award. Upon exercise, cancellation or expiration of stock options, deferred tax assets for options with multiple vesting dates are eliminated for each vesting period on a first-in, first-out basis as if each award had a separate vesting period.

Income Taxes

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

Product Warranty and Indemnification

The Company generally sells products with a limited warranty for product quality. The Company provides an accrual for known product issues if a loss is probable and can be reasonably estimated. As of the end of both fiscal 2017 and 2016 , the accrual balance of the product warranty liability was immaterial.

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

Concentrations of Credit Risk

Avnet, one of the Company's distributors, distributes the Company's products worldwide. As of April 1, 2017 and April 2, 2016 , Avnet accounted for 59% and 75% of the Company's total net accounts receivable, respectively. Resale of product through Avnet accounted for 44% , 50% and 43% of the Company's worldwide net revenues in fiscal 2017 , 2016 and 2015 , respectively. The percentage of net accounts receivable due from Avnet and the percentage of worldwide net revenues from Avnet are consistent with historical patterns.

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

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

The Company mitigates concentrations of credit risk in its investments in debt securities by currently investing more than 84% of its portfolio in AA or higher grade securities as rated by Standard & Poor's or Moody's Investors Service equivalent. The Company's methods to arrive at investment decisions are not solely based on the rating agencies' credit ratings. Xilinx also performs additional credit due diligence and conducts regular portfolio credit reviews, including a review of counterparty credit risk related to the Company's forward currency exchange contracts. Additionally, Xilinx limits its investments in the debt securities of a single issuer based upon the issuer's credit rating and attempts to further mitigate credit risk by diversifying risk across geographies and type of issuer.

As of April 1, 2017 , approximately 35% of the portfolio consisted of mortgage-backed securities. All of the mortgage-backed securities in the investment portfolio were issued by U.S. government-sponsored enterprises and agencies and are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

The global credit markets may experience adverse conditions that negatively impact the values of various types of investment and non-investment grade securities. The global credit and capital markets may experience significant volatility and disruption due to instability in the global financial system, uncertainty related to global economic conditions and concerns regarding sovereign financial stability. Therefore, there is a risk that we may incur other-than-temporary impairment charges for certain types of investments should credit market conditions deteriorate. See "Note 4. Financial Instruments" for a table of the Company's available-for-sale securities.

Recent Accounting Pronouncements Adopted

In April 2015, the FASB issued authoritative guidance that requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, which the Company adopted in the first quarter of fiscal 2017. We have applied the amendment retrospectively to the comparable period presented and it did not have a significant impact on our financial statements.

In March 2016, the FASB issued authoritative guidance to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. In the first quarter of fiscal 2017, the Company early adopted this authoritative guidance. Under the new guidance, excess tax benefits or tax deficiencies are recorded in the consolidated statement of income when the awards vest or are settled. Previously, they were recorded in stockholders' equity of the consolidated balance sheet. In addition, cash flows related to excess tax benefits or tax deficiencies are now classified as an operating activity, with prior periods adjusted accordingly. While the new authoritative guidance provides an accounting policy election to account for forfeitures as they occur, the Company elected to continue to estimate forfeitures to determine the amount of compensation cost to be recognized in each period. As a result of the adoption of this guidance, the consolidated statement of cash flows for the years ended April 2, 2016 and March 28, 2015 were adjusted as follows: a $16.2 million and $19.7 million increase, respectively, to net cash provided by operating activities and a $16.2 million and $19.7 million increase, respectively, to the net cash used in financing activities. Additionally, the Company recorded excess tax benefits of $15.4 million for fiscal 2017 in the provision for income taxes. This resulted in an increase to net income per diluted share of $0.06 for fiscal 2017.

Recent Accounting Pronouncements Not Yet Adopted

In April 2014, the FASB issued the authoritative guidance, as amended, that outlines a new global revenue recognition standard that replaces virtually all existing US GAAP guidance on contracts with customers and the related other assets and deferred costs. The authoritative guidance provides a five-step process for recognizing revenue that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The authoritative guidance also requires expanded qualitative and quantitative disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The new authoritative guidance is required to be applied retrospectively to each prior reporting period presented, or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application. The Company is currently evaluating the full impact of this new authoritative guidance on its consolidated financial statements, including selection of the transition method. However, assuming all other revenue recognition criteria have been met, it is expected that the new authoritative guidance would require the Company to recognize revenue and cost relating to distributor sales upon product delivery (Sell-In), subject to estimated allowance for distributor price adjustments and rights of return, rather than deferring the distributor sales upon product delivery and subsequently recognizing revenue when the product is sold by the distributor to the end customer (Sell-Through). Upon adoption, the Company currently expects that it will record the balance of the deferred revenue (subject to true-ups) under the Sell-Through to retained earnings, and the impact would be offset by the recognition of revenue on shipments post adoption under Sell-In. The Company continues to evaluate the impact to revenues and related disclosures related to the pending adoption of the new guidance and the preliminary assessments are subject to change. Depending on timing of customer orders, timing of shipment to distributors and to end customers, distributor inventory strategies and other factors that may be beyond the Company's control, the difference in revenue recognized under Sell-Through and Sell-In could be material in the future. The authoritative guidance will be effective for the Company beginning in fiscal year 2019 as the Company decided not to early adopt it in fiscal 2018.

In January 2016, the FASB issued the final authoritative guidance regarding how companies measure equity investments that do not result in consolidation and are not accounted for under the equity method and how they present changes in the fair value of financial liabilities measured under the fair value option that are attributable to their own credit. The new authoritative guidance also changes certain disclosure requirements and other aspects of current US GAAP. It does not change the guidance for classifying and measuring investments in debt securities and loans. The authoritative guidance is effective for public business entities for annual periods beginning after December 15, 2017, and interim periods within those annual periods, which for Xilinx would be the first quarter of fiscal year 2019. Upon adoption, the Company would record all of the unrealized gains or losses from its investment in mutual funds to retained earnings, and subsequent changes in fair value from such investments will be recorded under its consolidated statements of income.

In February 2016, the FASB issued the authoritative guidance on leases. The new authoritative guidance requires the recognition of assets and liabilities arising from lease transactions on the balance sheet and will also require significant additional disclosures about the amount, timing and uncertainty of cash flows from leases. Accordingly, a lessee will recognize a lease asset for its right to use the underlying asset and a lease liability for the corresponding lease obligation. The new authoritative guidance is effective for public business entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, which for Xilinx would be the first quarter of fiscal year 2020. Early adoption is permitted. The new authoritative guidance must be adopted using a modified retrospective transition, and provides for certain practical expedients. In addition, the transition will require application of the new authoritative guidance at the beginning of the earliest comparative period presented. The Company is currently evaluating the impact of this new authoritative guidance on its consolidated financial statements.

In June 2016, the FASB issued the authoritative guidance which introduces new guidance for the accounting for credit losses on instruments for both financial services and non-financial services entities. The new authoritative guidance requires certain types of financial instruments be recorded net of expected credit losses. It also modifies the impairment model for available-for-sale debt securities and provides for a simplified accounting model for purchased financial assets with credit deterioration since their origination. The new authoritative guidance will be effective for public business entities in fiscal years beginning after December 15, 2019, including interim periods within those years, which for Xilinx would be the first quarter of fiscal year 2021. Early adoption is permitted. The Company is currently evaluating the impact of this new authoritative guidance on its consolidated financial statements.

In August 2016, the FASB issued authoritative guidance for cash flow classification. The new authoritative guidance is intended to reduce diversity in practice in how cash receipts and cash payments are classified in the statement of cash flows. The new authoritative guidance will be effective for public business entities in fiscal years beginning after December 15, 2017, including interim periods within those years, which for Xilinx would be the first quarter of fiscal year 2019. Early adoption is permitted. The Company is currently evaluating the impact of this new authoritative guidance on its consolidated financial statements.

In October 2016, the FASB issued authoritative guidance for accounting for income taxes which eliminates the deferred tax effects of intra-entity asset transfers other than inventory. As a result, a reporting entity would recognize the tax expense from the sale of an asset in the seller's tax jurisdiction when the transfer occurs, even though the pre-tax effects of that transaction are eliminated in consolidation. The new authoritative guidance will be effective for public business entities in fiscal years beginning after December 15, 2017, which for Xilinx would be the first quarter of fiscal year 2019. Early adoption is permitted as of the beginning of the annual period. The Company is currently evaluating the impact of this new authoritative guidance on its consolidated financial statements.

In January 2017, the FASB issued authoritative guidance that simplifies the accounting for goodwill impairment. The authoritative guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. Goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. All other goodwill impairment guidance will remain largely unchanged. Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. The new authoritative guidance will be effective for public business entities in fiscal years beginning after December 15, 2018, including interim periods within those years, which for Xilinx would be the first quarter of fiscal year 2020. Early adoption is permitted. The Company is currently evaluating the impact of this new authoritative guidance on its consolidated financial statements.

Note 3. Fair Value Measurements

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

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

The Company validates the consensus prices by taking random samples from each asset type and corroborating those prices using reported trade activity, benchmark yield curves, binding broker/dealer quotes or other relevant price information. There have not been any changes to the Company's fair value methodology during fiscal 2017 and the Company did not adjust or override any fair value measurements as of April 1, 2017 .

Fair Value Hierarchy

The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. The guidance for fair value measurements requires that assets and liabilities carried at fair value be classified and disclosed in one of the following categories:

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

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

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

The Company's Level 2 assets consist of financial institution securities, non-financial institution securities, municipal bonds, U.S. agency securities, foreign government and agency securities, mortgage-backed securities, debt mutual funds, bank loans, asset-backed securities and commercial mortgage-backed securities. The Company's Level 2 assets and liabilities also include foreign currency forward contracts and commodity swap contracts.

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

The Company's Level 3 assets and liabilities include student loan auction rate securities, which were fully redeemed during fiscal 2017.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability. The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis as of April 1, 2017 and April 2, 2016 :

(In thousands)	April 1, 2017 Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Cash equivalents:				
Money market funds	$ 298,307	$ —	$ —	$ 298,307
Financial institution securities	—	158,962	—	158,962
Non-financial institution securities	—	205,322	—	205,322
U.S. government and agency securities	2,998	50,984	—	53,982
Foreign government and agency securities	—	177,310	—	177,310
Short-term investments:				
Financial institution securities	—	189,835	—	189,835
Non-financial institution securities	—	203,938	—	203,938
U.S. government and agency securities	31,732	44,820	—	76,552
Foreign government and agency securities	—	144,811	—	144,811
Mortgage-backed securities	—	1,115,403	—	1,115,403
Debt mutual funds	—	34,068	—	34,068
Bank loans	—	154,014	—	154,014
Asset-backed securities	—	218,170	—	218,170
Commercial mortgage-backed securities	—	217,971	—	217,971
Long-term investments:				
Mortgage-backed securities	—	60,099	—	60,099
Debt mutual fund	—	54,608	—	54,608
Asset-backed securities	—	1,581	—	1,581
Derivative financial instruments, net	—	1,661	—	1,661
Total assets measured at fair value	$ 333,037	$ 3,033,557	$ —	$ 3,366,594

(In thousands)	April 2, 2016 Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Cash equivalents:				
Money market funds	$ 232,698	$ —	$ —	$ 232,698
Non-financial institution securities	—	104,964	—	104,964
Foreign government and agency securities	—	98,967	—	98,967
Municipal bonds	—	1,003	—	1,003
Short-term investments:				
Financial institution securities	—	284,853	—	284,853
Non-financial institution securities	—	460,148	—	460,148
Municipal bonds	—	61,579	—	61,579
U.S. government and agency securities	81,873	110,420	—	192,293
Foreign government and agency securities	—	214,201	—	214,201
Mortgage-backed securities	—	1,067,157	—	1,067,157
Debt mutual funds	—	35,116	—	35,116
Bank loans	—	102,015	—	102,015
Asset-backed securities	—	210,051	—	210,051
Commercial mortgage-backed securities	—	206,470	—	206,470
Long-term investments:				
Auction rate securities	—	—	9,977	9,977
Municipal bonds	—	7,100	—	7,100
Mortgage-backed securities	—	140,382	—	140,382
Debt mutual fund	—	56,785	—	56,785
Asset-backed securities	—	6,563	—	6,563
Derivative financial instruments, net	—	744	—	744
Total assets measured at fair value	$ 314,571	$ 3,168,518	$ 9,977	$ 3,493,066

For certain of the Company’s financial instruments, including cash held in banks, accounts receivable and accounts payable, the carrying amounts approximate fair value due to their short maturities, and are therefore excluded from the fair value tables above.

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

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

(In thousands)	Years Ended April 1, 2017	Years Ended April 2, 2016
Balance as of beginning of period	$ 9,977	$ 10,312
Total realized and unrealized gains (losses):		
Included in other comprehensive income (loss)	523	(335)
Sales and settlements, net [1]	(10,500)	—
Balance as of end of period	$ —	$ 9,977

(1) During fiscal 2017, $10.5M of student loan auction rate securities were redeemed at par value for cash.

As of April 1, 2017 , the Company held no marketable securities measured at fair value using Level 3 inputs.

Financial Instruments Not Recorded at Fair Value on a Recurring Basis

The Company's 2017 Convertible Notes, 2019 Notes and 2021 Notes are measured at fair value on a quarterly basis for disclosure purposes. The fair values of the 2017 Convertible Notes, 2019 Notes and 2021 Notes as of April 1, 2017 were approximately $917.0 million , $501.6 million and $510.7 million , respectively, based on the last trading price of the respective debentures for the period (classified as Level 2 in fair value hierarchy due to relatively low trading volume).

Note 4. Financial Instruments

The following is a summary of cash equivalents and available-for-sale securities as of the end of the periods presented:

	April 1, 2017				April 2, 2016			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Money market funds	$ 298,307	$ —	$ —	$ 298,307	$ 232,698	$ —	$ —	$ 232,698
Financial institution securities	348,797	—	—	348,797	284,853	—	—	284,853
Non-financial institution securities	409,109	647	(496)	409,260	564,480	862	(230)	565,112
Auction rate securities	—	—	—	—	10,500	—	(523)	9,977
Municipal bonds	—	—	—	—	68,938	877	(133)	69,682
U.S. government and agency securities	130,749	8	(223)	130,534	192,291	73	(71)	192,293
Foreign government and agency securities	322,172	—	(51)	322,121	313,168	—	—	313,168
Mortgage-backed securities	1,186,732	3,527	(14,757)	1,175,502	1,200,071	12,848	(5,380)	1,207,539
Asset-backed securities	220,033	404	(686)	219,751	216,068	1,151	(605)	216,614
Debt mutual funds	101,350	—	(12,674)	88,676	101,350	—	(9,449)	91,901
Bank loans	153,281	839	(106)	154,014	102,092	25	(102)	102,015
Commercial mortgage-backed securities	221,504	146	(3,679)	217,971	207,847	432	(1,809)	206,470
	$ 3,392,034	$ 5,571	$ (32,672)	$ 3,364,933	$ 3,494,356	$ 16,268	$ (18,302)	$ 3,492,322

Financial institution securities include securities issued or managed by financial institutions in various forms, such as commercial paper and time deposits. Substantially all time deposits were issued by institutions outside the U.S. as of April 1, 2017 and April 2, 2016 .

The following tables show the fair values and gross unrealized losses of the Company's investments, aggregated by investment category, for individual securities that have been in a continuous unrealized loss position for the length of time specified, as of April 1, 2017 and April 2, 2016 :

(In thousands)	April 1, 2017 Less Than 12 Months Fair Value	Less Than 12 Months Gross Unrealized Losses	12 Months or Greater Fair Value	12 Months or Greater Gross Unrealized Losses	Total Fair Value	Total Gross Unrealized Losses
Non-financial institution securities	$ 68,850	$ (492)	$ 1,022	$ (4)	$ 69,872	$ (496)
U.S. government and agency securities	64,895	(223)	—	—	64,895	(223)
Mortgage-backed securities	811,058	(11,872)	139,931	(2,885)	950,989	(14,757)
Asset-backed securities	119,845	(651)	4,689	(35)	124,534	(686)
Debt mutual funds	—	—	88,676	(12,674)	88,676	(12,674)
Bank loans	15,139	(106)	—	—	15,139	(106)
Foreign government and agency securities	64,857	(51)	—	—	64,857	(51)
Commercial mortgage-backed securities	165,393	(1,706)	24,362	(1,973)	189,755	(3,679)
	$ 1,310,037	$ (15,101)	$ 258,680	$ (17,571)	$ 1,568,717	$ (32,672)

(In thousands)	April 2, 2016 Less Than 12 Months Fair Value	Less Than 12 Months Gross Unrealized Losses	12 Months or Greater Fair Value	12 Months or Greater Gross Unrealized Losses	Total Fair Value	Total Gross Unrealized Losses
Non-financial institution securities	$ 52,756	$ (230)	$ —	$ —	$ 52,756	$ (230)
Auction rate securities	—	—	9,977	(523)	9,977	(523)
Municipal bonds	10,138	(44)	3,867	(89)	14,005	(133)
U.S. government and agency securities	84,024	(71)	—	—	84,024	(71)
Mortgage-backed securities	346,560	(3,916)	114,285	(1,464)	460,845	(5,380)
Asset-backed securities	81,038	(502)	20,793	(103)	101,831	(605)
Debt mutual funds	—	—	91,901	(9,449)	91,901	(9,449)
Bank loans	34,358	(31)	42,832	(71)	77,190	(102)
Commercial mortgage-backed securities	141,761	(878)	2,150	(931)	143,911	(1,809)
	$ 750,635	$ (5,672)	$ 285,805	$ (12,630)	$ 1,036,440	$ (18,302)

As of April 1, 2017 , the gross unrealized losses that had been outstanding for less than twelve months were primarily related to mortgage-backed securities due to the general rising of the interest-rate environment, although the percentage of such losses to the total estimated fair value of the mortgage-backed securities was relatively insignificant. The gross unrealized losses that had been outstanding for more than twelve months were primarily related to debt mutual funds and mortgage-backed securities, which were primarily due to the general rising of the interest-rate environment and foreign currency movement.

The Company reviewed the investment portfolio and determined that the gross unrealized losses on these investments as of April 1, 2017 and April 2, 2016 were temporary in nature as evidenced by the fluctuations in the gross unrealized losses within the investment categories, in particular within the debt mutual funds during the past few years. The Company's investment in mortgage-backed securities and commercial mortgage-backed securities are highly rated by the credit rating agencies and there have been no defaults on any of these securities, and we have received interest payments as they become due. Therefore, the Company believes that it will be able to collect both principal and interest amounts due to the Company. Additionally, in the past several years, a portion of the Company's investment in the auction rate securities and the mortgage-backed securities were redeemed or prepaid by the debtors at par. Furthermore, the aggregate of individual unrealized losses that had been outstanding for twelve months or more was not significant as of April 1, 2017 and April 2, 2016 , the majority of which are related to debt mutual funds due to foreign currency and interest rate movement. The Company neither intends to sell these investments nor concludes that it is more-likely-than-not that it will have to sell them until recovery of their carrying values.

The amortized cost and estimated fair value of marketable debt securities (financial institution securities, non-financial institution securities, U.S. and foreign government and agency securities, mortgage-backed securities, asset-backed securities, bank loans and commercial mortgage-backed securities), 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.

	April 1, 2017	
(In thousands)	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 1,007,551	$ 1,007,487
Due after one year through five years	491,907	489,627
Due after five years through ten years	293,184	292,691
Due after ten years	1,199,735	1,188,145
	$ 2,992,377	$ 2,977,950

As of April 1, 2017 , $1.94 billion of marketable debt securities with contractual maturities of greater than one year were classified as short-term investments. Additionally, the above table does not include investments in money market and debt mutual funds because these funds do not have specific contractual maturities.

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

	Year Ended		
(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
Proceeds from sale of available-for-sale securities	$ 695,030	$ 268,887	$ 1,617,658
Gross realized gains on sale of available-for-sale securities	$ 6,989	$ 1,248	$ 15,101
Gross realized losses on sale of available-for-sale securities	(3,457)	(878)	(3,223)
Net realized gains on sale of available-for-sale securities	$ 3,532	$ 370	$ 11,878
Amortization of premiums on available-for-sale securities	$ 29,360	$ 26,613	$ 23,579

The cost of securities matured or sold is based on the specific identification method.

Note 5. Derivative Financial Instruments

The Company's primary objective for holding derivative financial instruments is to manage foreign currency exchange rate risk and interest rate risk. As a result of the use of derivative financial instruments, the Company is exposed to the risk that counterparties to derivative contracts may fail to meet their contractual obligations. The Company manages counterparty credit risk in derivative contracts by reviewing counterparty creditworthiness on a regular basis, establishing collateral requirement and limiting exposure to any single counterparty. The right of set-off that exists with certain transactions enables the Company to net amounts due to and from the counterparty, reducing the maximum loss from credit risk in the event of counterparty default.

As of April 1, 2017 and April 2, 2016 , the Company had the following outstanding forward currency exchange contracts (in notional amount), which were derivative financial instruments:

(In thousands and U.S. dollars)	April 1, 2017	April 2, 2016
Singapore Dollar	$ 22,012	$ 26,978
Euro	18,553	19,123
Indian Rupee	31,121	23,302
British Pound	10,813	10,716
Japanese Yen	3,757	3,387
	$ 86,256	$ 83,506

As part of the Company's strategy to reduce volatility of operating expenses due to foreign exchange rate fluctuations, the Company employs a hedging program with a forward outlook of up to two years for major foreign-currency-denominated operating expenses. The outstanding forward currency exchange contracts expire at various dates through February 2019 . The net unrealized gains, which approximate the fair market value of the outstanding forward currency exchange contracts, are expected to be recognized in the consolidated statements of income within the next two years .

As of April 1, 2017 , all of the forward foreign currency exchange contracts were designated and qualified as cash flow hedges and the effective portion of the gain or loss on the forward contracts was reported as a component of other comprehensive income (loss) and reclassified into net income in the same period during which the hedged transaction affects earnings. The estimated amount of such gains or losses as of April 1, 2017 that is expected to be reclassified into earnings was not material. The ineffective portion of the gains or losses on the forward contracts was included in the net income for all periods presented.

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

The Company had the following derivative instruments as of April 1, 2017 and April 2, 2016 , located on the consolidated balance sheet, utilized for risk management purposes detailed above:

	Foreign Exchange Contracts			
	Asset Derivatives		Liability Derivatives	
(In thousands)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
April 1, 2017	Prepaid expenses and other current assets	$ 2,424	Other accrued liabilities	$ 763
April 2, 2016	Prepaid expenses and other current assets	$ 2,161	Other accrued liabilities	$ 1,417

The Company does not offset or net the fair value amounts of derivative financial instruments in its consolidated balance sheets. The potential effect of rights of set-off associated with the derivative financial instruments was not material to the Company's consolidated balance sheet for all periods presented.

The following table summarizes the effect of derivative instruments on the consolidated statements of income for fiscal 2017 and 2016 :

	Foreign Exchange Contracts	
(In thousands)	2017	2016
Amount of gains recognized in other comprehensive income on derivative (effective portion of cash flow hedging)	$ 405	$ 7,779
Amount of losses reclassified from accumulated other comprehensive income into income (effective portion) *	$ (1,701)	$ (7,225)
Amount of gains recorded (ineffective portion) *	$ 31	$ 10

* Recorded in interest and other expense, net within the consolidated statements of income.

Note 6. Stock-Based Compensation Plans

The Company's equity incentive plans are broad-based, long-term retention programs that cover employees, consultants and non-employee directors of the Company. These plans are intended to attract and retain talented employees, consultants and non-employee directors and to provide such persons with a proprietary interest in the Company.

Stock-Based Compensation

The following table summarizes stock-based compensation expense related to stock awards granted under the Company's equity incentive plans and rights to acquire stock granted under the Company's employee stock purchase plan (ESPP):

(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
Stock-based compensation included in:			
Cost of revenues	$ 8,014	$ 7,977	$ 8,101
Research and development	66,822	59,692	50,185
Selling, general and administrative	48,022	44,315	40,994
Restructuring charges	—	—	579
Stock-based compensation effect on income before taxes	122,858	111,984	99,859
Income tax effect	(37,752)	(34,119)	(29,268)
Net stock-based compensation effect on net income	$ 85,106	$ 77,865	$ 70,591

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 was recognized in the period the forfeiture estimate was changed, and was not material for all periods presented.

During fiscal 2017 , 2016 and 2015 , there were no options granted and therefore the Company's stock-based compensation expense related to options, and the number of options outstanding as of April 1, 2017 , were not material.

As of April 1, 2017 and April 2, 2016 , the ending inventory balances included $2.2 million and $2.0 million of capitalized stock-based compensation, respectively. During fiscal 2017 , 2016 and 2015 , the tax benefit realized for the tax deduction from restricted stock units (RSUs) and other awards totaled $53.3 million , $56.3 million and $55.0 million , respectively. The tax deduction includes amounts credited to income tax expense in fiscal 2017 , and additional paid-in capital in fiscal 2016 and 2015 .

The fair values of ESPP were estimated as of the grant date using the Black-Scholes option pricing model. The Company's expected stock price volatility assumption is estimated using implied volatility of the Company's traded options. The expected life of options granted is based on the historical exercise activity as well as the expected disposition of all options outstanding. The expected life of options granted also considers the actual contractual term.

The weighted-average fair value per share of stock purchase rights granted under the ESPP during fiscal 2017 , 2016 and 2015 were $13.00 , $11.12 and $9.17 , respectively. These fair values per share were estimated at the date of grant using the following weighted-average assumptions:

	Employee Stock Purchase Plan		
	2017	2016	2015
Expected life of options (years)	1.3	1.3	1.3
Expected stock price volatility	0.24	0.26	0.25
Risk-free interest rate	0.7%	0.5%	0.3%
Dividend yield	2.4%	2.7%	2.9%

The estimated fair values of RSU awards were calculated based on the market price of Xilinx common stock on the date of grant, reduced by the present value of dividends expected to be paid on Xilinx common stock prior to vesting. The per share weighted-average fair value of RSUs granted during fiscal 2017 , 2016 and 2015 were $44.38 , $41.19 and $43.11 , respectively. The weighted average fair value of RSUs granted in fiscal 2017 , 2016 and 2015 were calculated based on estimates at the date of grant using the following weighted-average assumptions:

	2017	2016	2015
Risk-free interest rate	0.9%	1.3%	0.8%
Dividend yield	2.8%	2.8%	2.5%

As of April 1, 2017 , total unrecognized stock-based compensation costs related to ESPP was $20.7 million . The total unrecognized stock-based compensation cost for ESPP is expected to be recognized over a weighted-average period of 1.1 years .

Equity Incentive Plans

As of April 1, 2017 , 12.5 million shares are available for future grants under the 2007 Equity Incentive Plan (2007 Equity Plan). The contractual term for stock awards granted under the 2007 Equity Plan is seven years from the grant date. Stock awards granted to existing and newly hired employees generally vest over a four -year period from the date of grant.

A summary of shares available for grant under the 2007 Equity Plan is as follows:

(Shares in thousands)	Shares Available for Grant
March 29, 2014	15,037
Additional shares reserved	3,000
Stock options cancelled	6
RSUs granted	(3,201)
RSUs cancelled	531
March 28, 2015	15,373
Stock options cancelled	10
RSUs granted	(3,088)
RSUs cancelled	651
April 2, 2016	12,946
Additional shares reserved	2,500
Stock options cancelled	1
RSUs granted	(3,398)
RSUs cancelled	410
April 1, 2017	12,459

The types of awards allowed under the 2007 Equity Plan include incentive stock options, non-qualified stock options, RSUs, restricted stock and stock appreciation rights. To date, the Company has issued a mix of non-qualified stock options and RSUs under the 2007 Equity Plan.

The total pre-tax intrinsic value of options exercised during fiscal 2017 and 2016 was $28.0 million and $42.6 million , respectively. This intrinsic value represents the difference between the exercise price and the fair market value of the Company's common stock on the date of exercise.

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.

RSU Awards

A summary of the Company's RSU activity and related information is as follows:

	RSUs Outstanding			
(Shares and intrinsic value in thousands)	Number of Shares	Weighted-Average Grant-Date Fair Value Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (1)
March 29, 2014	6,901	$35.08		
Granted	3,201	$43.11		
Vested (2)	(2,698)	$33.82		
Cancelled	(531)	$32.91		
March 28, 2015	6,873	$39.07		
Granted	3,088	$41.19		
Vested (2)	(2,691)	$37.23		
Cancelled	(651)	$39.77		
April 2, 2016	6,619	$40.74		
Granted	3,398	$44.38		
Vested (2)	(2,619)	$39.49		
Cancelled	(410)	$41.63		
April 1, 2017	6,988	$42.93	2.38	$ 404,667
Expected to vest as of April 1, 2017	5,676	$42.95	2.39	$ 328,590

(1) Aggregate intrinsic value for RSUs represents the closing price per share of Xilinx's stock on April 1, 2017 of $57.89 , multiplied by the number of RSUs outstanding or expected to vest as of April 1, 2017 .

(2) The number of RSUs vested includes shares that the Company withheld on behalf of employees to satisfy the statutory tax withholding requirements.

RSUs with a fair value of $103.4 million were vested during fiscal 2017 . As of April 1, 2017 , total unrecognized stock-based compensation costs related to non-vested RSUs was $198.5 million . The total unrecognized stock-based compensation cost for RSUs is expected to be recognized over a weighted-average period of 2.6 years .

Employee Stock Purchase Plan

Under the Company's ESPP, qualified employees can obtain a 24 -month purchase right to purchase the Company's common stock at the end of each six -month exercise period. Participation is limited to 15% of the employee's annual earnings up to a maximum of $21 thousand in a calendar year. Approximately 83% of all eligible employees participate in the ESPP. 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 1.2 million shares for $39.5 million in fiscal 2017 , 1.1 million shares for $37.6 million in fiscal 2016, and 1.2 million shares for $39.0 million in fiscal 2015. The next scheduled purchase under the ESPP is in the second quarter of fiscal 2018 . As of April 1, 2017 , 8.2 million shares were available for future issuance.

Note 7. Balance Sheet Information

The following tables disclose the current liabilities that individually exceed 5% of the respective consolidated balance sheet amounts in each fiscal year. Individual balances that are less than 5% of the respective consolidated balance sheet amounts are aggregated and disclosed as "other."

(In thousands)	2017	2016
Accrued payroll and related liabilities:		
Accrued compensation	$ 81,701	$ 73,823
Deferred compensation plan liability	88,110	74,180
Other	6,790	6,291
	$ 176,601	$ 154,294
Other accrued liabilities:		
Interest payable	$ 4,492	$ 5,591
Unsettled investment transactions	62,199	25,572
Other	28,407	13,945
	$ 95,098	$ 45,108

Note 8. Commitments

Xilinx leases some of its facilities and office buildings under non-cancelable operating leases that expire at various dates through December 2025 . Additionally, Xilinx entered into a land lease in conjunction with the Company's building in Singapore, which will expire in November 2035 and 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. Most of the Company's leases contain renewal options for varying terms. Approximate future minimum lease payments under non-cancelable operating leases are as follows:

Fiscal	(In thousands)
2018	$ 5,560
2019	4,401
2020	3,341
2021	2,315
2022	2,368
Thereafter	487
Total	$ 18,472

Aggregate future rental income to be received, which includes rents from both owned and leased property, totaled $1.9 million as of April 1, 2017 . Rent expense, net of rental income, under all operating leases was $5.0 million for fiscal 2017 , $4.5 million for fiscal 2016 , and $3.2 million for fiscal 2015 . Rental income was not material for fiscal 2017 , 2016 or 2015 .

Other commitments as of April 1, 2017 totaled $112.6 million and consisted of purchases of inventory and other non-cancelable purchase obligations related to subcontractors that manufacture silicon wafers and provide assembly and 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. Additionally, as of April 1, 2017 , the Company had $48.8 million of non-cancelable license obligations to providers of electronic design automation software and hardware/software maintenance expiring at various dates through December 2019 .

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 following table summarizes the computation of basic and diluted net income per common share:

(In thousands, except per share amounts)	2017	2016	2015
Net income available to common stockholders	$ 622,512	$ 550,867	$ 648,216
Weighted average common shares outstanding-basic	252,301	257,184	265,480
Dilutive effect of employee equity incentive plans	2,284	2,260	3,257
Dilutive effect of 2017 Convertible Notes and warrants	14,228	9,223	7,386
Weighted average common shares outstanding-diluted	268,813	268,667	276,123
Basic earnings per common share	$ 2.47	$ 2.14	$ 2.44
Diluted earnings per common share	$ 2.32	$ 2.05	$ 2.35

The total shares used in the denominator of the diluted net income per common share calculation includes potentially dilutive common equivalent shares outstanding that are not included in basic net income per common share by applying the treasury stock method to the impact of the equity incentive plans and to the incremental shares issuable assuming conversion of the Company's convertible debt and warrants (see "Note 12. Debt and Credit Facility" for more discussion of our debt and warrants).

Outstanding stock options and RSUs under the Company's stock award plans to purchase approximately 2.6 million , 4.6 million and 4.1 million shares, for fiscal 2017 , 2016 or 2015 respectively, were excluded from diluted net income per common share by applying the treasury stock method, as their inclusion would have been antidilutive. These options and RSUs 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 and RSUs.

To hedge against potential dilution upon conversion of the 2017 Convertible Notes, the Company also purchased call options on its common stock from the hedge counterparties. At the end of fiscal 2017 , the call options give the Company the right to purchase up to 15.9 million shares of its common stock at $28.86 per share. These call options are not considered for purposes of calculating the total shares outstanding under the basic and diluted net income per share, as their effect would be anti-dilutive. Upon exercise, the call options would serve to neutralize the dilutive effect of the 2017 Convertible Notes and potentially reduce the weighted number of diluted shares used in per share calculations.

Note 10. Interest and Other Expense, Net

The components of interest and other expense, net are as follows:

(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
Interest income	$ 51,121	$ 40,180	$ 35,876
Interest expense	(53,953)	(55,456)	(55,431)
Other income (expense), net	(5,482)	(17,780)	4,553
	$ (8,314)	$ (33,056)	$ (15,002)

Note 11. Accumulated Other Comprehensive Loss

Comprehensive loss is defined as the change in equity of a company during a period from transactions and other events and circumstances from non-owner sources. The components of accumulated other comprehensive loss are as follows:

(In thousands)	2017	2016
Accumulated unrealized losses on available-for-sale securities, net of tax	$ (17,091)	$ (1,260)
Accumulated unrealized gains on hedging transactions, net of tax	661	256
Accumulated cumulative translation adjustment, net of tax	(8,251)	(5,627)
Accumulated other comprehensive loss	$ (24,681)	$ (6,631)

The related tax effects of other comprehensive loss were not material for all periods presented.

Note 12. Debt and Credit Facility

2017 Convertible Notes

During the first quarter of fiscal 2011, the Company issued $600.0 million principal amount of 2.625% 2017 Convertible Notes with maturity date of June 15, 2017 . The 2017 Convertible Notes are senior in right of payment to the Company's existing and future unsecured indebtedness that is expressly subordinated in right of payment to the 2017 Convertible Notes, and are ranked equally with all of our other existing and future unsecured senior indebtedness, including the 2019 and 2021 Notes discussed below. The Company may not redeem the 2017 Convertible Notes prior to maturity. The 2017 Convertible Notes are convertible, subject to certain conditions, into shares of Xilinx common stock at a conversion rate of 34.6495 shares of common stock per $1 thousand principal amount of the 2017 Convertible Notes, representing an effective conversion price of approximately $28.86 per share of common stock. The conversion rate is subject to adjustment for certain events as outlined in the indenture governing the 2017 Convertible Notes but will not be adjusted for accrued interest.

To hedge against potential dilution upon conversion of the 2017 Convertible Notes, the Company also purchased call options on its common stock from the hedge counterparties. The call options give the Company the right to purchase up to 15.9 million shares (after the exercises during the twelve months ended April 1, 2017 - see the subsequent paragraph for more description) of its common stock at $28.86 per share. The call options will terminate upon the earlier of the maturity of the 2017 Convertible Notes or the last day any of the 2017 Convertible Notes remain outstanding. To reduce the hedging cost, under separate transactions the Company sold warrants to the hedge counterparties, which give the hedge counterparties the right to purchase up to 20.8 million shares of the Company's common stock at $40.89 per share. These warrants expire on a gradual basis over a specified period starting on September 13, 2017.

During the twelve months ended April 1, 2017 , the Company received conversion requests from certain holders of the 2017 Convertible Notes. Upon settlement, the holders received a cash payment equal to the par value of the 2017 Notes converted of $142.1 million , as well as 2.5 million shares of Common Stock. In conjunction with the settlement, the Company exercised the purchased calls and received 2.5 million shares from the hedge counterparties. In accordance with the authoritative guidance for convertible debentures issued by the FASB, the conversion payment was allocated between the liability ($142.9 million) and equity ($149.1 million) components of the convertible debentures, using the equivalent rate that reflected the borrowing rate for a similar non-convertible debt prior to the conversion. As a result, the Company recognized a loss of $1.7 million . As of April 1, 2017 , the Company had $457.9 million principal amount of 2017 Convertible Notes outstanding.

As of April 1, 2017 , the 2017 Convertible Notes were classified as a current liability on the Company's consolidated balance sheet, and a portion of the equity component attributable to the conversion feature of the 2017 Convertible Notes was classified in temporary stockholders' equity. The amount classified as temporary equity was equal to the difference between the principal amount and carrying value of the 2017 Convertible Notes.

The carrying values of the liability and equity components of the 2017 Convertible Notes are reflected in the Company's consolidated balance sheets as follows:

(In thousands)	2017	2016
Liability component:		
Principal amount of the 2017 Convertible Notes	$ 457,918	$ 600,000
Unamortized discount of liability component	(1,977)	(18,135)
Hedge accounting adjustment – sale of interest rate swap	571	5,241
Unamortized debt issuance costs associated with 2017 Convertible Notes	$ (184)	$ (1,689)
Net carrying value of the 2017 Convertible Notes	$ 456,328	$ 585,417
Equity component (including temporary equity) – net carrying value	$ 50,688	$ 66,415

The remaining unamortized debt discount, net of the hedge accounting adjustment from the sale of the interest rate swap, is being amortized as additional non-cash interest expense over the expected remaining term of the 2017 Convertible Notes. As of April 1, 2017 , the remaining term of the 2017 Convertible Notes is 0.2 years. As of April 1, 2017 , the if-converted value of the outstanding 2017 Convertible Notes was $935.8 million .

Interest expense related to the 2017 Convertible Notes was included in interest and other expense, net on the consolidated statements of income as follows:

(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
Contractual coupon interest	$ 14,652	$ 15,750	$ 15,750
Amortization of debt issuance costs	1,398	1,448	1,448
Amortization of debt discount, net	10,670	11,052	11,052
Total interest expense related to the 2017 Convertible Notes	$ 26,720	$ 28,250	$ 28,250

2019 and 2021 Notes

On March 12, 2014, the Company issued $500 million principal amount of 2.125% 2019 Notes and $ 500 million principal amount of 3.000% 2021 Notes with maturity dates of March 15, 2019 and March 15, 2021 , respectively. The 2019 and 2021 Notes were offered to the public at a discounted price of 99.477% and 99.281% of par, respectively. Interest on the 2019 and 2021 Notes is payable semiannually on March 15 and September 15.

The Company received net proceeds of $990.1 million from issuance of the 2019 and 2021 Notes, after the debt discounts and deduction of debt issuance costs. The debt discounts and issuance costs are amortized to interest expense over the lives of the 2019 and 2021 Notes.

The following table summarizes the carrying value of the 2019 and 2021 Notes in the Company's consolidated balance sheets:

(In thousands)	2017	2016
Principal amount of the 2019 Notes	$ 500,000	$ 500,000
Unamortized discount of the 2019 Notes	(1,037)	(1,560)
Unamortized debt issuance costs associated with the 2019 Notes	(654)	(996)
Principal amount of the 2021 Notes	500,000	500,000
Unamortized discount of the 2021 Notes	(2,107)	(2,605)
Unamortized debt issuance costs associated with the 2021 Notes	(955)	(1,200)
Total senior notes	$ 995,247	$ 993,639

Interest expense related to the 2019 and 2021 Notes was included in interest and other expense, net on the consolidated statements of income as follows:

(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
Contractual coupon interest	$ 25,625	$ 25,625	$ 25,625
Amortization of debt issuance costs	586	586	586
Amortization of debt discount, net	1,022	995	970
Total interest expense related to the 2019 and 2021 Notes	$ 27,233	$ 27,206	$ 27,181

Revolving Credit Facility

On December 7, 2016 , the Company entered into a $400.0 million senior unsecured revolving credit facility that, upon certain conditions, may be extended by an additional $150.0 million , with a syndicate of banks (expiring in December 2021). 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 is required to maintain certain financial and non-financial covenants. As of April 1, 2017 , the Company had made no borrowings under this credit facility and was not in violation of any of the covenants.

Note 13. 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 April 1, 2017 and April 2, 2016 , no preferred shares were issued or outstanding.

Common Stock and Debentures 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. In November 2014, the Board authorized the repurchase of $800.0 million of the Company's common stock. In May 2016, the Board authorized the repurchase of up to $1.00 billion of the Company's common stock and debentures. The 2014 and 2016 Repurchase Programs have no stated expiration date.

Through April 1, 2017 , the Company has used all of the $800.0 million authorized under the 2014 Repurchase Program and $317.9 million of the $1.00 billion authorized under the 2016 Repurchase Program, leaving $682.1 million available for future repurchases. The Company's current policy is to retire all repurchased shares, and consequently, no treasury shares were held as of April 1, 2017 and April 2, 2016 .

During fiscal 2017 , the Company repurchased 9.9 million shares of common stock in the open market and through an accelerated share repurchase agreement with an independent financial institution for a total of approximately $522.0 million . During fiscal 2016 , the Company repurchased 9.7 million shares of common stock in the open market for a total of $443.2 million .

Note 14. Income Taxes

The provision for income taxes consists of the following:

(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
Federal:			
Current	$ (19,097)	$ 21,366	$ 61,308
Deferred	64,158	42,146	17,121
	45,061	63,512	78,429
State:			
Current	(938)	2,447	3,330
Deferred	3,093	1,781	1,803
	2,155	4,228	5,133
Foreign:			
Current	21,121	18,016	9,433
Deferred	231	202	(1,135)
	21,352	18,218	8,298
Total	$ 68,568	$ 85,958	$ 91,860

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

(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
Domestic	$ 41,031	$ 37,568	$ 110,881
Foreign	650,049	599,257	629,195
Income before income taxes	$ 691,080	$ 636,825	$ 740,076

As a result of the early adoption of new authoritative guidance on accounting for share-based payments in the first quarter of fiscal 2017, the Company recorded excess tax benefits associated with stock-based compensation of $15.4 million in the provision for income taxes during fiscal 2017. The excess tax benefits associated with stock-based compensation that were recorded in additional paid-in capital in prior fiscal years, were $11.4 million and $13.9 million , for fiscal 2016 and 2015 , respectively.

As of April 1, 2017 , the Company had federal and state net operating loss carryforwards of approximately $15.9 million . If unused, these carryforwards will expire at various dates through fiscal 2031 . All of the federal and state net operating loss carryforwards are subject to change of ownership limitations provided by the Internal Revenue Code and similar state provisions. The Company had $4.6 million of low income housing tax credit carryforwards with expiration in fiscal 2037 . The Company had state research tax credit carryforwards of approximately $164.5 million . The credits have no expiration date. Some of the state credit carryforwards are subject to change of ownership limitations provided by state provisions similar to that of the Internal Revenue Code. The state credit carryforwards include $111.6 million that is not likely to be recovered and has been reduced by a valuation allowance.

Unremitted foreign earnings that are considered to be permanently invested outside the U.S., and on which no U.S. taxes have been provided, are approximately $3.46 billion as of April 1, 2017 . The residual U.S. tax liability, if such amounts were remitted, would be approximately $1.17 billion .

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

(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
Income before provision for taxes	$ 691,080	$ 636,825	$ 740,076
Federal statutory tax rate	35%	35%	35%
Computed expected tax	241,878	222,889	259,027
State taxes, net of federal benefit	1,741	3,177	2,458
Foreign earnings at lower tax rates	(119,616)	(112,942)	(141,372)
Tax credits	(34,146)	(25,211)	(26,633)
Excess benefits from stock-based compensation	(15,396)	—	—
Other	(5,893)	(1,955)	(1,620)
Provision for income taxes	$ 68,568	$ 85,958	$ 91,860

The Company has manufacturing operations in Singapore where the Company has been granted "Pioneer Status" that is effective through fiscal 2021. The Pioneer Status reduces the Company's tax on the majority of Singapore income from 17% to zero percent. The benefits of Pioneer Status in Singapore for fiscal 2017 , fiscal 2016 and fiscal 2015 were approximately $55.9 million ($0.21 per diluted share), $51.3 million ($0.19 per diluted share), and $66.0 million ($0.24 per diluted share), respectively, on income considered permanently reinvested outside the U.S. The tax effect of operations in 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 consisted of the following as of April 1, 2017 and April 2, 2016 :

(In thousands)	2017	2016
Deferred tax assets:		
Stock-based compensation	$ 22,050	$ 22,128
Deferred income on shipments to distributors	8,167	9,307
Accrued expenses	9,567	32,771
Tax credit carryforwards	109,681	95,424
Deferred compensation plan	32,518	27,412
Low income housing and other investments	8,163	8,265
Other	17,628	11,538
Subtotal	207,774	206,845
Valuation allowance	(72,520)	(62,179)
Total deferred tax assets	135,254	144,666
Deferred tax liabilities:		
Unremitted foreign earnings	(383,312)	(335,522)
Convertible debt	(1,573)	(2,349)
Other	(4,002)	(1,699)
Total deferred tax liabilities	(388,887)	(339,570)
Total net deferred tax liabilities	$ (253,633)	$ (194,904)

Long-term deferred tax assets of $64.4 million and $66.6 million as of April 1, 2017 and April 2, 2016 , respectively, were included in other assets on the consolidated balance sheet.

As of April 1, 2017 and April 2, 2016 , gross deferred tax assets were offset by valuation allowances of $72.5 million and $62.2 million , respectively, which were associated with state tax credit carryforwards.

The aggregate changes in the balance of gross unrecognized tax benefits for fiscal 2017 and 2016 were as follows:

(In thousands)	2017	2016
Balance as of beginning of fiscal year	$ 33,999	$ 30,089
Increases in tax positions for prior years	—	786
Decreases in tax positions for prior years	(10,078)	(606)
Increases in tax positions for current year	6,556	4,757
Settlements	—	(85)
Lapses in statutes of limitation	(40)	(942)
Balance as of end of fiscal year	$ 30,437	$ 33,999

If the remaining balance of $30.4 million and $34.0 million of unrecognized tax benefits as of April 1, 2017 and April 2, 2016 , respectively, were realized in a future period, it would result in a tax benefit of $8.5 million and $15.3 million , respectively, thereby reducing the effective tax rate.

The Company's policy is to include interest and penalties related to income tax liabilities within the provision for income taxes on the consolidated statements of income. The balances of accrued interest and penalties recorded in the consolidated balance sheets and the amounts of interest and penalties included in the Company's provisions for income taxes were not material for any period presented.

The Company is no longer subject to U.S. federal audits by taxing authorities for years through fiscal 2011, U.S. state audits for years through fiscal 2010 and tax audits in Ireland for years through fiscal 2012.

The Company had been subject to examination by the IRS for fiscal 2012 through 2014. During the fourth quarter of fiscal 2016, the IRS completed its fieldwork and the case was forwarded to the Joint Committee on Taxation for review. On July 29, 2016, the

Company received written notification that the Joint Committee had completed its review and had taken no exception to the conclusions reached by the IRS.

The Company believes its provision for unrecognized tax benefits is adequate for adjustments that may result from tax audits. However, the outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Company's tax audits are resolved in a manner not consistent with management's expectations, the Company could be required to adjust its provision for income taxes in the period such resolution occurs. It is reasonably possible that changes to the Company's unrecognized tax benefits could be significant in the next twelve months due to tax audit settlements and lapses of statutes of limitation. As a result of uncertainties regarding tax audits and their possible outcomes, an estimate of the range of increase or decrease that could occur in the next twelve months cannot be made at this time.

Note 15. 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.

Geographic revenue information for fiscal 2017 , 2016 and 2015 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, which were based on the physical location of the asset as of the end of each fiscal year.

Net revenues by geographic region were as follows:

	Year Ended		
(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
North America:			
United States	$ 606,150	$ 592,422	$ 625,434
Other (individual countries less than 10%)	132,300	118,240	112,900
Total North America	738,450	710,662	738,334
Asia Pacific:			
China	597,310	520,562	573,007
Other (individual countries less than 10%)	358,844	335,304	357,598
Total Asia Pacific	956,154	855,866	930,605
Europe	456,585	424,685	477,102
Japan	198,141	222,668	231,303
Worldwide total	$ 2,349,330	$ 2,213,881	$ 2,377,344

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

(In thousands)	April 1, 2017	April 2, 2016	March 28, 2015
United States	$ 211,995	$ 191,400	$ 195,353
Foreign:			
Ireland	40,626	43,011	46,216
Singapore	39,345	36,029	43,020
Other (individual countries less than 10%)	11,859	12,906	16,449
Total foreign	91,830	91,946	105,685
Worldwide total	$ 303,825	$ 283,346	$ 301,038

Note 16. Litigation Settlements and Contingencies

Patent Litigation

On November 7, 2014, the Company filed a complaint for declaratory judgment against Papst Licensing GmbH & Co., KG (Papst) in the U.S. District Court for the Northern District of California (Xilinx, Inc. v. Papst Licensing GmbH & Co., KG, Case No. 3:14-CV-04963) (the California Action). On the same date, a patent infringement lawsuit was filed by Papst against the Company in the U.S. District Court for the District of Delaware (Papst Licensing GmbH & Co., KG v. Xilinx, Inc., Case No. 1:14-CV-01376) (the Delaware Action). Both the California Action and the Delaware Action pertain to the same two patents. In the Delaware Action, Papst seeks unspecified damages, interest and costs. On September 1, 2015, the Court in the Delaware Action granted the Company's motion to transfer the Delaware Action to the U.S. District Court for the Northern District of California (Papst Licensing GmbH & Co., KG v. Xilinx, Inc., Case No. 3:16-cv-00925-EDL). On June 9, 2016, the Court in the transferred Delaware Action granted the Company's motion for judgment on the pleadings, determining that each of the asserted claims is directed to a patent-ineligible abstract idea and dismissing Papst's claims for infringement. On July 8, 2016, Papst filed a notice of appeal from the judgment in favor of the Company. On April 12, 2017, the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) affirmed the lower court's dismissal. In the California Action, on July 9, 2015, the Court granted Papst's motion to dismiss for lack of personal jurisdiction, and the California Action was dismissed. The Company appealed the decision, and, on February 15, 2017 the Federal Circuit reversed the lower court decision. On April 21, 2017, Papst granted Xilinx a covenant not to sue for infringement of the patents-in-suit and Xilinx voluntarily dismissed the California Action without prejudice. On April 24, 2017, the California Action was dismissed without prejudice.

On July 17, 2014, a patent infringement lawsuit was filed by PLL Technologies, Inc. (PTI) against the Company in the U.S. District Court for the District of Delaware (PLL Technologies, Inc. v. Xilinx, Inc., Case No. 1:14-CV-00945). On April 28, 2015, the United States Patent Trial and Appeal Board (PTAB) granted Xilinx's request for inter partes review (IPR) with respect to all claims in the litigation. On May 5, 2015, the Court ordered the litigation be stayed pending final resolution of the IPR. On April 18, 2016, the PTAB issued a final written decision in which all of the asserted claims were found unpatentable. On June 14, 2016, PTI filed notice of appeal from the final written decision. The lawsuit pertains to one patent and PTI seeks unspecified damages, interest and costs. The Company is unable to estimate its range of possible loss, if any, in this matter at this time.

On February 1, 2017, a patent infringement lawsuit was filed by Godo Kaisha IP Bridge 1 (IP Bridge) against the Company in the U.S. District Court for the Eastern District of Texas (Godo Kaisha IP Bridge 1 v. Xilinx, Inc., Case. No. 2:17-cv-00100). The lawsuit pertains to two patents and IP Bridge seeks unspecified damages, interest, attorneys' fees, costs, and a permanent injunction or an on-going royalty. On the same date, the Company filed a complaint for declaratory judgment of patent non-infringement against IP Bridge in the U.S. District Court for the Northern District of California (Xilinx, Inc. v. Godo Kaisha IP Bridge 1, Case No. 5:17-cv-00509). The complaint filed by the Company pertains to twelve patents and sought judgment of non-infringement by Xilinx, as well as costs, expenses and attorneys' fees. The Company is unable to estimate its range of possible loss, if any, in these matters at this time.

On March 17, 2017, a patent infringement lawsuit was filed by Anza Technology, Inc. (Anza) against the Company in the U.S. District Court for the District of Colorado (Anza Technology, Inc. v. Xilinx, Inc., Case No. 1:17-cv-00687). The lawsuit pertains to three patents and Anza seeks unspecified damages, attorney fees, interest, costs, and expenses. The Company is unable to estimate its range of possible loss, if any, in this matter at this time.

The Company intends to continue to protect and defend our IP vigorously.

Other Matters

On June 11, 2015, John P. Neblett, as Chapter 7 Trustee of Valley Forge Composite Technologies, Inc., filed a complaint against Xilinx and others in the U.S. Bankruptcy Court for the Middle District of Pennsylvania (Bankruptcy No. 1:13-bk-05253-JJT). The complaint alleges causes of actions against Xilinx for negligence and civil conspiracy relating to alleged violations of U.S. export laws. It seeks at least $50.0 million in damages, together with punitive damages, from the defendants. On September 21, 2015, the action was withdrawn from the U.S. Bankruptcy Court for the Middle District of Pennsylvania and transferred to the U.S. District Court for the Eastern District of Kentucky. On November 2, 2015, Xilinx, along with other defendants, filed a motion to dismiss the complaint. On November 3, 2015, Xilinx filed a motion for sanctions pursuant to Federal Rule of Civil Procedure 11. On June 27, 2016, the Court denied both motions. The Company intends to vigorously defend the case and is unable to estimate its range of possible loss, if any, in this matter at this time.

On April 4, 2017, Mountjoy Chilton Medley, LLP filed a third-party complaint against Xilinx and others in the United States District Court for the Middle District of Pennsylvania (Case No. 4:15-cv-01622-MWB). The complaint alleges that to the extent the third-party plaintiff is found liable, that the actions or inactions of Xilinx and others entitles the third-party plaintiff to apportionment of damages based on the allegations against Xilinx in the case filed by the Chapter 7 Trustee of Valley Forge Composite Technologies, Inc. Xilinx has not yet responded to the third-party complaint. The Company intends to vigorously defend the case and is unable to estimate its range of possible loss, if any, in this matter at this time.

From time to time, the Company is involved in various disputes and litigation matters that arise in the ordinary course of its business. These include disputes and lawsuits related to intellectual property, mergers and acquisitions, licensing, contract law, tax, regulatory, distribution arrangements, employee relations and other matters. Periodically, the Company reviews the status of each matter and assesses 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, the Company accrues 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, the Company continues to reassess the potential liability related to pending claims and litigation and may revise estimates.

Note 17. Goodwill and Acquisition-Related Intangibles

As of April 1, 2017 and April 2, 2016 , the gross and net amounts of goodwill and of acquisition-related intangibles for all acquisitions were as follows:

(In thousands)	2017	2016	Weighted-Average Amortization Life
Goodwill	$ 161,287	$ 159,296	
Core technology, gross	79,981	77,640	
Less accumulated amortization	(76,512)	(71,472)	
Core technology, net	3,469	6,168	5.6 years
Other intangibles, gross	46,766	46,606	
Less accumulated amortization	(46,659)	(46,572)	
Other intangibles, net	107	34	2.6 years
Total acquisition-related intangibles, gross	126,747	124,246	
Less accumulated amortization	(123,171)	(118,044)	
Total acquisition-related intangibles, net	$ 3,576	$ 6,202	

Amortization expense for acquisition-related intangibles for fiscal 2017 , 2016 and 2015 were $5.1 million , $6.6 million and $9.5 million , respectively. Based on the carrying value of acquisition-related intangibles recorded as of April 1, 2017 , and assuming no subsequent impairment of the underlying assets, the annual amortization expense for acquisition-related intangibles is expected to be as follows:

Fiscal	(In thousands)
2018	$ 1,923
2019	561
2020	468
2021	468
2022	156
Total	$ 3,576

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 $12.9 million , $11.0 million and $13.0 million in fiscal 2017 , 2016 and 2015 , respectively. For employees in the U.S., Xilinx instituted a Company matching program pursuant to which the Company will match contributions to Xilinx's 401(k) Plan (the 401(k) Plan) based on the amount of salary deferral contributions the participant makes to the 401(k) Plan. Xilinx will match up to 50% of the first 8% of an employee's compensation that the employee contributed to their 401(k) account. The maximum Company contribution per year is $4,500 per employee. As permitted under Section 401(k) of the Internal Revenue Code, 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. 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. As of April 1, 2017 , there were more than 176 participants in the Plan who self-direct their contributions into investment options offered by the Plan. The Plan does not allow Plan participants to invest directly 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. As of April 1, 2017 , Plan assets of $81.1 million were included in other assets within the consolidated balance sheet and obligations of $88.1 million were included in accrued payroll and related liabilities. As of April 2, 2016 , Plan assets were $67.0 million and obligations were $74.2 million .

Note 19. Business Combination

During the second quarter of fiscal 2017, the Company completed the acquisition of Auviz Systems Inc., an independent software vendor that accelerates algorithms for data center and embedded devices. This acquisition aligns with the Company's strategy for accelerating vertical market growth and meets the increasing demand from customers for data libraries. This acquisition was accounted for under the purchase method of accounting. The aggregate financial impact of this acquisition was not material to the Company.

Note 20. Restructuring Charges

During the fourth quarter of fiscal 2015, the Company announced restructuring measures designed to realign resources and drive overall operating efficiencies. These measures impacted approximately 120 positions, or 3% of the Company's global workforce, in various geographies and functions worldwide. The Company recorded total restructuring charges of $24.5 million in the fourth quarter of fiscal 2015, primarily related to severance pay expenses (which were paid in full as of the end of fiscal 2017) and write-offs of acquisition-related intangibles.

Note 21. Subsequent Events

On April 25, 2017, the Company's Board of Directors declared a cash dividend of $0.35 per common share for the first quarter of fiscal 2018. The dividend is payable on June 1, 2017 to stockholders of record as of May 17, 2017.

REPORT OF 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 April 1, 2017 and April 2, 2016 , and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended April 1, 2017 . 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 April 1, 2017 and April 2, 2016 , and the consolidated results of its operations and its cash flows for each of the three years in the period ended April 1, 2017 , 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.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Xilinx, Inc.'s internal control over financial reporting as of April 1, 2017 , based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated May 15, 2017 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

San Jose, California
May 15, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Xilinx, Inc.

We have audited Xilinx, Inc.'s internal control over financial reporting as of April 1, 2017 , based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (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 included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on 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, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, 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, Xilinx, Inc. maintained, in all material respects, effective internal control over financial reporting as of April 1, 2017 , 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 April 1, 2017 and April 2, 2016 , and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended April 1, 2017 of Xilinx, Inc. and our report dated May 15, 2017 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

San Jose, California
May 15, 2017

XILINX, INC.
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

(In thousands)

Description	Beginning of Year	Additions	Deductions	End of Year
For the year ended March 28, 2015:				
Allowance for doubtful accounts	$ 3,355	$ —	$ 2	$ 3,353
Allowance for deferred tax assets	$ 43,004	$ 10,623	$ 1,075	$ 52,552
For the year ended April 2, 2016:				
Allowance for doubtful accounts	$ 3,353	$ —	$ 12	$ 3,341
Allowance for deferred tax assets	$ 52,552	$ 9,834	$ 207	$ 62,179
For the year ended April 1, 2017:				
Allowance for doubtful accounts	$ 3,341	$ —	$ 141	$ 3,200
Allowance for deferred tax assets	$ 62,179	$ 10,341	$ —	$ 72,520

Supplementary Financial Data
Quarterly Data (Unaudited)

(In thousands, except per share amounts)

Year ended April 1, 2017 (1)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net revenues	$ 574,981	$ 579,209	$ 585,688	$ 609,452
Gross margin	406,684	403,334	407,455	423,641
Income before income taxes	181,618	175,662	162,580	171,220
Net income	163,049	164,192	141,846	153,425
Net income per common share: (2)				
Basic	$ 0.64	$ 0.65	$ 0.57	$ 0.62
Diluted	$ 0.61	$ 0.61	$ 0.52	$ 0.57
Shares used in per share calculations:				
Basic	252,901	253,466	250,982	249,014
Diluted	266,206	270,373	270,781	267,157
Cash dividends declared per common share	$ 0.33	$ 0.33	$ 0.33	$ 0.33

(1) Xilinx uses a 52 - to 53 -week fiscal year ending on the Saturday nearest March 31. Fiscal 2017 was a 52-week year and each quarter was a 13 -week quarter.

(2) 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.

(In thousands, except per share amounts)

Year ended April 2, 2016 [1]	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net revenues	$ 549,008	$ 527,572	$ 566,235	$ 571,066
Gross margin	389,054	369,932	387,721	395,267
Income before income taxes	167,967	143,969	155,051	169,838
Net income	147,715	127,298	130,819	145,035
Net income per common share: [2]				
Basic	$ 0.57	$ 0.49	$ 0.51	$ 0.57
Diluted	$ 0.55	$ 0.48	$ 0.49	$ 0.54
Shares used in per share calculations:				
Basic	258,021	257,640	256,450	255,467
Diluted	270,730	266,046	269,611	268,462
Cash dividends declared per common share	$ 0.31	$ 0.31	$ 0.31	$ 0.31

(1) Xilinx uses a 52- to 53-week fiscal year ending on the Saturday nearest March 31. Fiscal 2016 was a 53-week year and each quarter was a 13-week quarter except the third quarter, which was a 14-week quarter.

(2) 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

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out, under the supervision of and with the participation of the Company's management, including our CEO and 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 this 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.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended April 1, 2017 that materially affected, or are 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 adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) 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 involve, 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 criteria established in the Report " *Internal Control — Integrated Framework"* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2013 Framework) to evaluate the effectiveness of our internal control over financial reporting. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of April 1, 2017 .

The effectiveness of the Company's internal control over financial reporting as of April 1, 2017 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

None.

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.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item pursuant to Item 401(b), (d), (e) and (f) of Regulation S-K concerning the Company's executive officers is incorporated herein by reference to Item 1. "Business — Executive Officers of the Registrant" within this Form 10-K.

The information required by this item pursuant to Item 401(a), (d), (e), and (f) and Items 406 and 407 of Regulation S-K concerning the Company's directors, the code of ethics and corporate governance matters is incorporated herein by reference to the sections entitled "Proposal One-Election of Directors" "Board Independence" and "Corporate Governance Principles" in our Proxy Statement.

The information required by this item regarding delinquent filers pursuant to Item 405 of Regulation S-K is incorporated herein by reference to the section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" 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. Our code of conduct applies to our directors and employees, including our CEO, CFO and principal accounting personnel. In addition, our Board of Directors has adopted a code of ethics that pertains specifically to the Board of Directors. Printed copies of these documents are also available to stockholders without charge upon written request directed to Corporate Secretary, Xilinx, Inc., 2100 Logic Drive, San Jose CA 95124.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item pursuant to Item 402 of Regulation S-K concerning executive compensation is incorporated herein by reference to the sections entitled "Compensation of Directors" and "Executive Compensation" in our Proxy Statement.

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

The information required by this item pursuant to Item 407(e)(5) of Regulation S-K is incorporated herein by reference to the section entitled "Compensation Committee Report" in our Proxy Statement.

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

The information required by this item pursuant to Item 403 of Regulation S-K is incorporated herein 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.

Equity Compensation Plan Information

The table below sets forth certain information as of fiscal year ended April 1, 2017 about the Company's common stock that may be issued upon the exercise of options, RSUs, warrants and rights under all of our existing equity compensation plans including the ESPP:

(Shares in thousands)	A	B	C
Plan Category	**Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights**	**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			
2007 Equity Plan	7,121 (1)	$ 29.49 (2)	12,459 (3)
Employee Stock Purchase Plan	N/A	N/A	8,233
Total-Approved Plans	7,121	$ 29.49	20,692
Equity Compensation Plans NOT Approved by Security Holders	—	$ —	—
Total-All Plans	7,121	$ 29.49	20,692

(1) Includes approximately 7.0 million shares issuable upon vesting of RSUs that the Company granted under the 2007 Equity Plan.

(2) The weighted-average exercise price does not take into account shares issuable upon vesting of outstanding RSUs, which have no exercise price.

(3) On July 26, 2006, the stockholders approved the adoption of the 2007 Equity Plan and authorized 10.0 million shares to be reserved for issuance thereunder. The 2007 Equity Plan, which became effective on January 1, 2007, replaced both the Company's 1997 Stock Plan (which expired on May 8, 2007) and the Supplemental Stock Option Plan. On August 9, 2007, August 14, 2008, August 12, 2009, August 11, 2010, August 10, 2011, August 8, 2012, August 14, 2013, August 13, 2014 and August 10, 2016, our stockholders authorized the reserve of an additional 5.0 million shares, 4.0 million shares, 5.0 million shares, 4.5 million shares, 4.5 million shares, 3.5 million shares, 2.0 million shares, 3.0 million shares and 2.5 million shares respectively. All of the shares reserved for issuance under the 2007 Equity Plan may be granted as stock options, stock appreciation rights, restricted stock or RSUs.

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

The information required by this item concerning related party transactions pursuant to Item 404 of Regulation S-K is incorporated herein by reference to the section entitled "Related Transactions" in our Proxy Statement.

The information required by this item concerning director independence pursuant to Item 407(a) of Regulation S-K is incorporated herein by reference to the section entitled "Board Independence" in our Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated herein by reference to the sections entitled "Proposal Three - Ratification of Appointment of External Auditors" and "Fees Paid to Ernst & Young LLP" in our 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 LIST

			Incorporated by Reference				
Exhibit No		**Exhibit Title**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
3.1		Restated Certificate of Incorporation, as amended to date	10-K	000-18548	3.1	5/30/2007	
3.2		Bylaws of the Company, as amended and restated as of March 31, 2017	8-K	000-18548	3.2	4/3/2017	
4.1		Indenture, dated as of March 5, 2007, between the Company as Issuer and The Bank of New York Trust Company, N. A. as Trustee	10-K	000-18548	4.1	5/30/2007	
4.2		Indenture, dated as of June 9, 2010, between the Company as Issuer and The Bank of New York Mellon Trust Company, N.A. as Trustee	10-Q	000-18548	4.2	8/9/2010	
4.3		Indenture, dated as of June 14, 2007, between the Company as Issuer and The Bank of New Mellon Trust Company, N.A. as Trustee	S-3	333-143769	4.4	6/15/2007	
4.4		Supplemental Indenture, dated as of March 12, 2014, between the Company as Issuer and The Bank of New York Mellon Trust Company, N.A. as Trustee	8-K	000-18548	4.01	3/13/2014	
10.1	*	Amended and Restated 1990 Employee Qualified Stock Purchase Plan	DEF 14A	000-18548	Appendix A	5/30/2014	
10.2	*	1997 Stock Plan and Form of Stock Option Agreement	S-8	333-127318	4.2	8/9/2005	
10.3 P	*	Form of Indemnification Agreement between the Company and its officers and directors	S-1	333-34568	10.17	4/27/1990	
10.4	*	2007 Equity Incentive Plan	DEF 14A	000-18548	Appendix A	6/1/2016	
10.5	*	Form of Stock Option Agreement under 2007 Equity Incentive Plan	10-K	000-18548	10.24	5/30/2007	
10.6	*	Form of Restricted Stock Unit Agreement under 2007 Equity Incentive Plan	10-K	000-18548	10.25	5/30/2007	
10.7	*	Form of Performance-Based Restricted Stock Unit Agreement under 2007 Equity Incentive Plan	8-K	000-18548	99.1	7/5/2007	
10.8	*	Restricted Stock Issuance Agreement	10-Q	000-18548	10.15	8/9/2011	

Exhibit No		Exhibit Title	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
10.9	*	Performance Based Restricted Stock Issuance Agreement	10-Q	000-18548	10.16	8/9/2011	
10.11	+	Master Distributor Agreement, dated as of March 12, 2014, between the Company and Avnet, Inc.	10-K	000-18548	10.18	5/16/2014	
10.12	*	Summary of Fiscal Year 2018 Executive Incentive Plan	8-K	000-18548	N/A	5/12/2017	
10.13	*	Form of Change in Control Agreement	8-K	000-18548	10.2	1/20/2016	
10.14	*	Amendment and Restatement of Employment Agreement with Moshe Gavrielov	8-K	000-18548	10.1	4/12/2017	
10.15		Amendment, dated as of February 20, 2015, to Master Distributor Agreement between the Company and Avnet, Inc.					X
10.16	+	Amendment, dated as of March 28, 2016, to Master Distributor Agreement between the Company and Avnet, Inc.					X
10.17	+	Addendum, dated as of March 1, 2017, to Master Distributor Agreement between the Company and Avnet, Inc.					X
10.18		Amendment, dated as of March 1, 2017, to Master Distributor Agreement between the Company and Avnet, Inc .					X
21.1		Subsidiaries of the Company					X
23.1		Consent of Independent Registered Public Accounting Firm					X
24.1		Power of Attorney (included in the signature page)					X
31.1		Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2		Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1		Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2		Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS		XBRL Instance Document					X
101.SCH		XBRL Taxonomy Extension Schema Document					X
101.CAL		XBRL Taxonomy Extension Calculation Linkbase Document					X
101.LAB		XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE		XBRL Taxonomy Extension Presentation Linkbase Document					X
101.DEF		XBRL Taxonomy Extension Definition Linkbase Document					X

+	Portions of this Exhibit have been omitted pursuant to a request for confidential treatment.
*	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.
P	Filed on Paper

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 15, 2017

XILINX, INC.

By: /s/ Moshe N. Gavrielov
Moshe N. Gavrielov,
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Moshe N. Gavrielov and Lorenzo A. Flores, 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/ Moshe N. Gavrielov (Moshe N. Gavrielov)	President and Chief Executive Officer (Principal Executive Officer) and Director	May 15, 2017
/s/ Lorenzo A. Flores (Lorenzo A. Flores)	Senior Vice President and Chief Financial Officer (Principal Accounting and Financial Officer)	May 15, 2017
/s/ Dennis Segers (Dennis Segers)	Chairman of the Board of Directors	May 15, 2017
/s/ Saar Gillai (Saar Gillai)	Director	May 15, 2017
/s/ Ronald S. Jankov (Ronald S. Jankov)	Director	May 15, 2017
/s/ Thomas H. Lee (Thomas H. Lee)	Director	May 15, 2017
/s/ J. Michael Patterson (J. Michael Patterson)	Director	May 15, 2017
/s/ Albert A. Pimentel (Albert A. Pimentel)	Director	May 11, 2017
/s/ Marshall C. Turner (Marshall C. Turner)	Director	May 15, 2017
/s/ Elizabeth W. Vanderslice (Elizabeth W. Vanderslice)	Director	May 15, 2017

Exhibit 10.15

AMENDMENT TO DISTRIBUTOR AGREEMENT

This Amendment ("Amendment") to the Master Distributor Agreement entered into on March 12, 2014 ("Agreement") is made pursuant to Section 27.4 of the Agreement and is effective as of the date of the last signature below (the "Effective Date") by and between Avnet Inc., a New York corporation, doing business through its business group, Electronics Marketing, with offices located at 2211 South 47th Street, Phoenix, AZ 85034 ("Distributor") and Xilinx, Inc., a Delaware corporation, having offices at 2100 Logic Drive, San Jose, CA 95124 ("Xilinx"). This Amendment modifies the terms of the Agreement as follows:

Exhibit A attached hereto, "U.S. Federal Government Contracting, Commercial Item Status & Exceptions for Subcontracts," is hereby incorporated into the Agreement.

This Amendment shall be coterminous with the Agreement.

Unless specifically addressed by this Amendment, all other terms of the Agreement remain unchanged. All capitalized terms contained herein have the same meaning as the terms defined in the Agreement unless specifically modified in this Amendment.

XILINX, INC.	AVNET, INC.
Signature: /s/ Chris Henry	Signature: /s/ David Ward
Name: Chris Henry	Name: David Ward
Title: Vice President	Title: Group V.P., Finance, EM
Date: 2/13/2015	Date: 2/20/2015

Exhibit A

U.S. Federal Government Contracting, Commercial Item Status & Exceptions for Subcontracts

THIS PROPOSAL, and any resulting contract, is for the provision of "Commercial Items" as that term is defined at FAR 2.101. The Commercial Items are Field Programmable Gate Arrays ("FPGAs") and/or commercial computer software (as defined below) that are used by the general public or by non-governmental entities for purposes other than governmental purposes, and have been offered for sale, lease, or license to the general public in substantial quantities based on established catalog or market prices. The Commercial Items further include commercial design services related to the design of programs that run on these FPGAs and are of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed or specific outcomes to be achieved and under standard commercial terms and conditions. Further, this is a firm-fixed-price Proposal, and, pursuant to FAR 12.214, Cost Accounting Standards (CAS) do not apply to firm-fixed-price contracts and subcontracts for the acquisition of Commercial Items.

Based on the above, Xilinx hereby excludes any clause requiring compliance with the Cost Accounting Standards and further claims exemption from all FAR and DFARS clauses with the exception of the following clauses that are required to be flowed down to subcontractors of Commercial Items:

<u>FAR Clauses</u> : Pursuant to FAR 52.244-6 (Dec 2010), "Subcontracts for Commercial Items," Xilinx agrees to the inclusion of the following clauses in a subcontract for Commercial Items with a prime contractor of the U.S. Government:

52.203-13	Contractor Code of Business Ethics and Conduct (Apr 2010) [*Applicable to subcontracts over $5M and a performance period of more than 120 days]
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (Jun 2010) [*Applicable to subcontracts funded under the Recovery Act]
52.219-08	Utilization of Small, Small Disadvantaged, and Women-Owned Small Business Concerns (Jan 2011) [* Applicable to subcontracts that offer further subcontracting opportunities.]
52.222-26	Equal Opportunity (Mar 2007)
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2010)
52.222-36	Affirmative Action for Workers with Disabilities (Oct 2010)
52.222-50	Combating Trafficking in Persons (Feb 2009)
52.244-06	Subcontracts for Commercial Items and Commercial Components (Dec 2010) [*To the extent practicable, Xilinx will incorporate in contracts with subcontractors of commercial items to be supplied under this contract those clauses set forth in 52.244-06]

52.247-64 Preference for Privately Owned U.S. Flag Commercial Vessels (Feb 2006)

DFARS Clauses : Pursuant to DFARS 252.244-7000 (Nov 2010), “Subcontracts for Commercial Items and Commercial Components (DOD Contract),” Xilinx agrees to the inclusion of the following clauses in a subcontract for Commercial Items under a prime contract with the Defense Department of the U.S. Government:

252.244-7000 Subcontracts for Commercial Items and Commercial Components (Nov 2010)

252.246-7003 Notification of Potential Safety Issues (Jan 2007)

252.247-7023 Transportation of Supplies by Sea (May 2002)

252.247-7024 Notification of Transportation of Supplies by Sea (Mar 2000)

U.S. Governmental Rights

For purposes of this Proposal, “commercial computer software” means software developed or regularly used for nongovernmental purposes which (i) has been sold, leased, or licensed to the public, (ii) has been offered for sale, lease or license to the public; (iii) has not been offered, sold, leased, or licensed to the public but will be available for commercial sale, lease, or license in time to satisfy the delivery requirements of the Agreement; or (iv) satisfied a criterion expressed in (i), (ii), or (iii) of this clause and would require only minor modification to meet the requirements of the Agreement. If acquired by or on behalf of a civilian agency, the U.S. Government acquires this commercial computer software and/or commercial computer software documentation and other technical data subject to the terms of the Agreement as specified in 48 C.F.R. 12.212 (Computer Software) and 12.211 (Technical Data) of the Federal Acquisition Regulation (“FAR”) and its successors. If acquired by or on behalf of any agency within the Department of Defense (“DOD”), the U.S. Government acquires this commercial computer software and/or commercial computer software documentation subject to the terms of the Agreement as specified in 48 C.F.R. 227.7202-3 of the DOD FAR Supplement (“DFARS”) and its successors. This U.S. Government Rights clause is in lieu of, and supersedes, any other FAR, DFARS, or other clause or provision that addresses Government rights in computer software or technical data under this Proposal.

Exhibit 10.16

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

AMENDMENT

THIS AMENDMENT (the " **Amendment** "), effective as of the date last signed below, amends that certain MASTER DISTRIBUTOR AGREEMENT effective as of March 12, 2014, as previously amended (the " **Agreement** "), by and between Xilinx, Inc., a Delaware Corporation, having offices at 2100 Logic Drive, San Jose, CA 95124, Xilinx Ireland, a company incorporated under the laws of Ireland and having its registered office at One Logic Drive, Citywest Business Campus, Saggart, Co. Dublin and Xilinx Sales International Pte. Ltd., a company organized and existing under the laws of Singapore, having its principal office at Changi Business Park Vista, Singapore 486051 (collectively and individually, " **Xilinx** "), and Avnet, Inc., a New York corporation, having its principal office at 2211 South 47th Street, Phoenix, AZ 85034 (" **Distributor** ").

A. The parties agree to amend and restate Section 13.3 of the Agreement as follows:

13.3 Once per quarter, Distributor may scrap particular Product, such as small quantity returns not requiring a RMA or Products with bent leads, with an aggregate Price no greater than [***] percent [***] of the dollars invoiced by Xilinx to Distributor (or such percentage identified in the Guidelines, if different) per such three months. Distributor shall not include as "scrap" any Product that is designated as NCNR, [***]. Avnet must provide a certificate of destruction for all scrapped Product.

B. Except as set forth above, the Agreement remains in full force and effect.

IN WITNESS WHEREOF , the parties hereto have duly executed this Amendment on the date(s) indicated below.

XILINX, INC.	**XILINX IRELAND**
By: /s/ Chris Henry	By: /s/ Kevin Cooney
Name: Chris Henry	Name: Kevin Cooney
Title: Corp. VP, Channel Sales	Title: Managing Director
Date: 1-6-16	Date: 3/28/2016

XILINX SALES INTERNATIONAL PTE. LTD.

By: /s/ Oren Scotten

Name: Oren Scotten

Title: Site Director

Date: 3/28/2016

AVNET, INC.

By: /s/ Gerry Fay

Name: Gerry Fay

Title: President, Avnet EM Global

Date: 12/17/15

Exhibit 10.17

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

ADDENDUM

THIS ADDENDUM (the "Addendum") to the Master Distributor Agreement effective as of March 12, 2014 (the "Agreement") is made by and between Avnet, Inc., a New York corporation, having offices at 2211 South 47 th Street, Phoenix, AZ 85034 ("Distributor") and Xilinx, Inc. , a Delaware corporation, having offices at 2100 Logic Drive, San Jose, CA 95124, Xilinx Ireland Unlimited Company (formerly known as Xilinx Ireland) , a company incorporated under the laws of Ireland and having its registered office at 2020 Bianconi Avenue, Citywest Business Campus, Saggart, Co. Dublin and Xilinx Sales International Pte. Ltd. , a company organized and existing under the laws of Singapore, having its principal office at 5 Changi Business Park Vista, Singapore 486040 (collectively and individually "Xilinx"), to be effective as of March 1, 2017 .

The parties agree as follows:

In the event of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum have precedence over the Agreement with respect to the activities of the PF Participating Companies. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement. Except as specifically modified by this Addendum, all terms and conditions of the Agreement remain in full force and effect.

1) Subject to the terms and conditions of the Agreement, Xilinx hereby adds Premier Farnell UK Limited ("PF") and its affiliates (collectively with PF, "PF Participating Companies"), all Subsidiaries of Distributor, to Exhibit A of the Agreement, "Schedule of Authorized Electronics Marketing Locations". The PF Participating Companies that are added as authorized Electronics Marketing selling locations under this Agreement are set out in Appendix 1 of this Addendum. Additional PF Participating Companies may be added to this Agreement by PF.

2) Due to the unique business model of PF, the below guidelines serve to augment the business model between Xilinx and Distributor:

   a. PF Participating Companies will purchase Products (as defined in the Agreement) solely and directly from Xilinx at Distributor Cost (as defined in the Agreement).

   b. Shipping terms are CPT (PF Maybrook Warehouse UK) (INCOTERMS 2010).

   c. PF Participating Companies will store and handle Xilinx product in accordance with the audit material provided by Xilinx, as may be updated from time to time .

   d. PF Participating Companies will provide a weekly point of sale report ("POS") to Xilinx. The POS will include the following for each sales transaction to cover all PF Participating Companies:

      i. Customer Name
      ii. Ship to Location
      iii. Address line 1
      iv. Xilinx Device / Part (To include Development Systems)
      v. Quantity of Devices / Parts (To include Development Systems)

vi. PF Participating Company Cost (Distribution Book Cost)
vii. PF Participating Company Resale Price to Customer (Prices must be provided in currencies that Xilinx can manage (in its data systems); Xilinx Finance team will provide the list of currencies, upon request)

e. Xilinx may audit the records of the PF Participating Companies concerning Products, inventory, and storage facilities upon 48 hours' notice to PF, notice to be addressed to the following:

Premier Farnell UK Limited
Attn: Vice President / General Counsel
300 South Riverside Plaza, Suite 2200
Chicago, IL 60606
United States of America

f. PF Participating Companies may rotate stock as provided in Section 13 of the Agreement; provided however, that with respect to PF Participating Company stock and any credit issued by Xilinx to PF Participating Company in connection with such PF Participating Company stock: (1) PF Participating Companies may only rotate stock twice per year as agreed between Xilinx and PF, but in the event that Xilinx and PF Participating Companies are unable to mutually agree on a stock rotation schedule, Xilinx will set the schedule in its absolute discretion, and (2) the total dollar value of the credit shall not exceed [***] percent [***] of the dollars invoiced by Xilinx to PF Participating Companies, net of any adjustment, during the subject six-month period.

To evidence the parties' agreement to this Addendum, they have signed and delivered it on the date(s) below, but as of the date set forth in the preamble.

Xilinx:

Xilinx, Inc. **Xilinx Ireland Unlimited Company**

By:	/s/ Christopher Alan Henry	By:	/s/ Kevin Cooney
	Authorized Signature		Authorized Signature
Name	Christopher Alan Henry	Name	Kevin Cooney
	Printed or Typed		Printed or Typed
Title	CVP, Channel Sales	Title	Managing Director
Date	3/24/2017	Date	3/25/2017

Xilinx Sales International Pte. Ltd.

By:	/s/ Oren Scotten
	Authorized Signature
Name	Oren Scotten
	Printed or Typed
Title	Site Director
Date	3/27/2017

Distributor:

Avnet, Inc.

By:	/s/ Peter Bartolotta
	Authorized Signature
Name	Peter Bartolotta
	Printed or Typed
Title	Chief Transformation Officer
Date	22 March 2017 10:33 MST

Exhibit A
Premier Farnell Participating Companies
(current as of March 2017)

Territory – all global locations

Name of Company	Country of Incorporation
UK BUSINESSES	
Premier Farnell UK Limited (includes Farnell and CPC trading divisions)	UK
OVERSEAS FARNELL COMPANIES	
element14 Pty Ltd	Australia
element14 Limited	New Zealand
Element14 sp. zo.o	Poland
Farnell GmbH	Germany
Farnell Danmark AS	Denmark
Oy Farnell (Finland) Ab	Finland
Farnell Components Aktiebolag	Sweden
Farnell AG	Switzerland
Farnell Components (Ireland) Limited	Ireland
Farnell (France) SAS	France
Farnell (Netherlands) BV	Netherlands
element14 Pte Limited	Singapore
element14 Sdn. Bhd.	Malaysia
eluomeng Limited	Hong Kong
Farnell Components SL	Spain
Farnell (Belgium)	Belgium
Farnell Italia Srl	Italy
eluomeng Electronics (China) Co Ltd	China
element14 Asia Pte Limited	Singapore
element14 India Private Limited	India
Farnell Components (Israel) Limited	Israel
Newark Companies	
Newark Electronics Corporation	USA
Newark Corporation	USA
Element14 de Mexico, S. de R.L. de C.V.	Mexico
Premier Farnell Canada Limited	Canada

Embest Companies

Shenzhen Embest Technology Co Ltd	Shenzhen
Element14 Limited	Hong Kong

MCM Companies

MCM Electronics, Inc.	USA

Exhibit 10.18

AMENDMENT

THIS AMENDMENT ("Amendment") effective as of March 1, 2017 , amends that certain Master Distributor Agreement effective as of March 12, 2014, as previously amended (the "Agreement"), by and between Xilinx, Inc. , an Delaware Corporation, having offices at 2100 Logic Drive, San Jose, CA, 95124, Xilinx Ireland Unlimited Company (formerly known as Xilinx Ireland), a company incorporated under the laws of Ireland with a place of business at 2020 Bianconi Avenue, Citywest Business Campus, Saggart, Co. Dublin, Ireland, and Xilinx Sales International Pte. Ltd. , a company organized and existing under the laws of Singapore, having its principal office at 5 Changi Business Park Vista, Singapore 486040 (collectively and individually, " Xilinx "), and Avnet, Inc. , a New York corporation, having its principal office at 2211 South 47 th Street, Phoenix, AZ 85034 (" Distributor ").

A. The parties agree to amend Exhibit D of the Agreement as follows:

   The following sentence is deleted in its entirety:

   > DIR, or a percentage of DIR, is provided to Distributor at the discretion of Xilinx based on the Distributor cost of working capital.

B. Except as set forth above, the Agreement remains in full force and effect.

To evidence the parties' agreement to this Agreement, they have signed and delivered it on the date(s) below, but as of the date set forth in the preamble.

Xilinx, Inc.	Avnet, Inc.
Signature: /s/ Christopher Alan Henry	Signature: /s/ Peter Bartolotta
Print Name: Christopher Alan Henry	Print Name: Peter Bartolotta
Title: CVP, Channel Sales	Title: Chief Transformation Officer
Date: 3/24/2017	Date: 24 March 2017 16:08 MST

Xilinx Ireland Unlimited Company

Signature: /s/ Kevin Cooney

Print Name: Kevin Cooney

Title: Managing Director

Date: 3/25/2017

Xilinx Sales International Pte. Ltd.

Signature: /s/ Oren Scotten

Print Name: Oren Scotten

Title: Site Director

Date: 3/27/2017

Exhibit 21.1

XILINX, INC.
SUBSIDIARIES OF REGISTRANT

NAME	PLACE OF INCORPORATION OR ORGANIZATION
Xilinx Benelux B.V.B.A.	Belgium
Xilinx Development Corporation	California, U.S.A.
Auviz Systems Inc	California, U.S.A.
Xilinx Canada Co.	Canada
Xilinx Holding Six Limited	Cayman Islands
Xilinx Holding Three Ltd.	Cayman Islands
Xilinx Technology Beijing Limited	China
Xilinx Technology Shanghai Limited	China
Midgard Acquisition LLC	Delaware, U.S.A.
Xilinx Estonia O.U.	Estonia
Xilinx SARL	France
Xilinx GmbH	Germany
Xilinx Hong Kong Limited	Hong Kong SAR, China
Auviz Systems India Private Limited	India
Xilinx India Technology Services Private Limited	India
Xilinx Finance Ireland Limited	Ireland
Xilinx Holding Two Limited	Luxembourg
Xilinx Ireland Unlimited Company	Ireland
Xilinx Israel Limited	Israel
Xilinx K.K.	Japan
Xilinx NL B.V.	Netherlands
Xilinx Asia Pacific Pte. Ltd.	Singapore

Xilinx Sales International Pte. Ltd.	Singapore
Xilinx Singapore Holding Pte. Ltd.	Singapore
Xilinx AB	Sweden
Xilinx Limited	United Kingdom
Xilinx NI Limited	United Kingdom

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. 333-215789, 333-201805, 333-193664, 333-186442, 333-179463, 333-172102, 333-162948, 333-157473, 333-151219, 333-140573, 333-127318, 333-62897, 333-44233, 333-12339, 33-40562, 33-36706, 33-80075, 33-83036, 33-52184, 33-67808 and 333-51510, and Form S-3 Nos. 333-194052, 333-00054, 333-143769, 333-51514 and 333-216131) of Xilinx, Inc. of our reports dated May 15, 2017, with respect to the consolidated financial statements and schedule of Xilinx, Inc. and the effectiveness of internal control over financial reporting of Xilinx, Inc. included in this Annual Report (Form 10-K) for the year ended April 1, 2017.

/s/ Ernst & Young LLP

San Jose, California
May 15, 2017

Exhibit 31.1

XILINX, INC.
CERTIFICATION PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Moshe N. Gavrielov, certify that:

1. I have reviewed this annual report on Form 10-K of Xilinx, Inc.;

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 the 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 15, 2017

/s/ Moshe N. Gavrielov

Moshe N. Gavrielov
President and Chief Executive Officer

Exhibit 31.2

XILINX, INC.
CERTIFICATION PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lorenzo A. Flores, certify that:

1. I have reviewed this annual report on Form 10-K of Xilinx, Inc.;

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 the 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 15, 2017

/s/ Lorenzo A. Flores

Lorenzo A. Flores
Senior Vice President
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 period ended April 1, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Moshe N. Gavrielov, President and Chief Executive 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) or 15(d) 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 15, 2017

/s/ Moshe N. Gavrielov

Moshe N. Gavrielov
President and Chief Executive 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.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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 period ended April 1, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lorenzo A. Flores, Senior Vice President 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) or 15(d) 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 15, 2017

/s/ Lorenzo A. Flores

Lorenzo A. Flores

Senior Vice President
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.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.