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For Immediate Release

XILINX ENTERS INTO JOINT VENTURE FOR FOUNDRY CAPACITY

\$150 Million Investment in Joint Venture with United Microelectronics Corporation Secures Capacity for Submicron Wafers

SAN JOSE, Calif., October 26, 1995 — Xilinx, Inc., (NASDAQ:XLNX), the world's largest supplier of programmable logic, today announced that it has entered into a definitive agreement with United Microelectronics Corporation (UMC) and other joint venturers, to form a separate Taiwanese company to build a semiconductor manufacturing facility in Hsin Chu City, Taiwan, Republic of China.

Under terms of the agreement, Xilinx will invest \$150 million, in installments, over the next two years in exchange for a 25 percent equity stake in the new foundry. UMC, its affiliates, the other joint venturers, and members of the Taiwanese financial community are expected to provide the rest of the capitalization for the approximately \$1 billion facility in the form of debt and equity.

The new fab will produce 8-inch wafers utilizing UMC's 0.5 micron and eventually 0.25 micron, or better, submicron CMOS process technology. The fab will begin limited production of wafers in the first half of 1997 and will ramp to its full capacity within two years of initial start-up.

"This new venture ensures foundry capacity of leading-edge process technologies to meet the rising demand for FPGAs," said Bernard Vonderschmitt,
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Page 2 of 2

Xilinx's chief executive officer. "This is the first time that Xilinx has taken an equity stake in a foundry. This agreement, combined with our other foundry partnerships, favorably positions the company to meet customer demand to the end of the decade."

While the new fab is under construction, UMC will provide Xilinx with interim capacity from the company's other manufacturing facilities in Taiwan. Additionally, Xilinx will maintain its existing fab partnerships with Seiko Epson, Yamaha, Taiwan Semiconductor Manufacturing Company (TSMC) and IC Works.

"We are pleased to enter into this agreement with Xilinx to combine our foundry expertise with Xilinx's innovative design talent," said Robert H.C. Tsao, UMC's chairman. "We look forward to this latest venture in providing services to U.S.-based companies."

Founded in 1984, Xilinx is the world's largest supplier of programmable logic in the semiconductor industry. The company pioneered the market for field programmable gate array (FPGA) semiconductor devices that provide high integration and quick time-to-market for electronic equipment manufacturers in the computer, peripherals, telecommunications, networking, industrial control, instrumentation, and military markets. Headquartered in San Jose, Calif., the company produces innovative device architectures and enabling development system software.

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