

Xilinx to cut 7% of workforce; shares rise

By [Benjamin Pimentel](#), MarketWatch

Last update: 12:32 p.m. EDT June 4, 2008

SAN FRANCISCO (MarketWatch) -- Shares of Xilinx Inc. rose Wednesday, playing off the chipmaker's plans to reduce its global workforce by about 7%.

Earlier, Xilinx said it will eliminate about 250 jobs as part of a company reorganization meant to "improve operating performance."

The San Jose-based company's stock rose more than 3.4% to about \$27.84.

The job cuts, which are expected to be completed by the end of the next fiscal year, will "adversely impact" Xilinx's first-quarter operating expenses, the company said. Xilinx had said it expects the company's operating expenses to be about flat on a sequential basis for the June quarter.

The company's CEO Moshe Gavrielov had said in April that the company planned to focus on "increasing operating efficiencies."

Analyst John Dryden of Charter Equity Research said the company hopes to boost its performance, which has lagged behind competitor Altera Corp. He said he and other analysts had expected headcount reductions as a way for the company to cut expenses, which were higher than its major competitor.

Xilinx also said it expects to report a charge of about \$18 million to \$22 million in connection with the reorganization. The company, which in April reported 10% profit growth for the fourth quarter of fiscal 2008, is scheduled to issue first-quarter results on July 16. ■

Benjamin Pimentel is a MarketWatch reporter based in San Francisco.