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EDA INDUSTRY REPORTS Q1 2003 REVENUES

SAN JOSE, California, July 7, 2003—The EDA Consortium’s Market Statistics Service (MSS) today announced that electronic design automation (EDA) industry revenues for the first quarter of 2003 were \$908 million, 6% less than \$962 million in Q1 2002 but a significant sequential improvement on the recent Q4 year over year, which showed a 13% decline. Japan, continuing its usual pattern of strong first quarter results, was the top performer with 37% growth at \$235 million vs. \$172 million a year ago.

“The sequential improvement in quarter over quarter numbers indicates the industry is moving in the right direction,” said Walden C. Rhines, Consortium chair and chairman and CEO of Mentor Graphics Corporation. “Another encouraging sign is that reported Q1 2003 EDA revenue was higher than Q4 2002 – an unusual result for the first quarter, which is usually seasonally lower than the preceding Q4.”

MSS First-Quarter 2003 Highlights

Product and Maintenance

The report shows that EDA Product and Maintenance revenue (excluding consulting and other services) totaled \$849 million in the first quarter of 2003, 4% less than \$880 million a year ago. Product and Maintenance revenue comprised 93% of the industry’s total revenue in the quarter.

Revenue by Tool Category

EDA’s largest tool category, Computer-Aided Engineering (CAE), generated revenues totaling \$443 million in Q1 2003, 6% less than \$473 million in the same period in 2002.

IC Physical Design & Verification revenue totaled \$288 million in Q1 2003, nearly matching the \$290 million in revenue from Q1 last year.

Revenue for Printed Circuit Board (PCB) and Multi-Chip Module (MCM) Layout totaled \$80 million in Q1 2003, down 9% from \$88 million in the same period last year.

The EDA industry's Semiconductor Intellectual Property (SIP) led in revenue growth in Q1 2003, posting positive revenue growth for the fifth consecutive quarter. Revenue increased 36% to \$38 million vs. \$28 million a year ago.

EDA Services revenue was \$58 million in Q1 2003, 29% less than \$82 million in Q1 2002.

Revenue by Consuming Region

Revenue from Japan comprised 26% of the worldwide total in Q1 2003 – up from 16% just last quarter. Rest-of-World (ROW) continued its string of revenue growth by increasing 21% to \$79 million in Q1 2003 – up from \$65 million a year ago. Revenue in Western Europe was \$170 million in Q1 2003, slightly more than the same period last year. The North America Region, EDA's largest customer base, purchased \$425 million of EDA products and services in Q1 2003, 24% less than \$556 million in Q1 2002.

About the EDA Consortium

The EDA Consortium is the international association of companies that provide tools and services that enable engineers to create the world's electronic products. EDA is the critical technology used to design electronics for the communications, computer, space technology, medical and industrial equipment and consumer electronics markets among others.

The EDA Consortium Market Statistics Service is the EDA industry's timeliest barometer of quarterly revenue and employment data.

For more information about EDA Consortium, or to subscribe to the Market Statistics Service, contact EDA Consortium, 111 West Saint John Street, Suite 220, San Jose, Calif. 95113, USA, office 408-287-3322, fax 408-283-5283, or visit www.edac.org.

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