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Press Contact:

Georgia Marszalek, ValleyPR, 650 345 7477, Georgia@ValleyPR.com

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EDA INDUSTRY REPORTS SIX PERCENT GROWTH IN Q1

Services, Intellectual Property Show Strength

SAN JOSE, California, August 2, 2004—The EDA Consortium’s Market Statistics Service (MSS) today announced that the electronic design automation (EDA) industry revenue for Q1 of 2004 was \$995 million, a 6% increase over Q1 2003. Services revenue surged to \$76 million, a 31 percent increase over first quarter of last year. In an expanded membership category, semiconductor intellectual property (SIP) at \$78 million showed a 15 percent increase over the same quarter last year.

“The growth in services and SIP revenue is a good indicator of renewed design activity,” said Walden C. Rhines, chairman of the EDA Consortium and chairman and CEO of Mentor Graphics Corporation. “This should point to further tools revenue down the road.”

Revenue by Category

EDA License and Maintenance revenue was \$840 million in Q1 2004, a 3% increase over Q1 2003, and 84% of the total reported revenue. EDA’s largest tool category, Computer-Aided Engineering (CAE), generated revenue of \$470 million in Q1 2004, 6% more than the same period in 2003. Revenue for Printed Circuit Board (PCB) and Multi-Chip Module (MCM) Layout totaled \$85 million in Q1 2004, 5% more than in Q1 2003. IC Physical Design & Verification revenue at \$285 million was down slightly from \$288 million in the same period last year

Revenue by Region

North America revenues increased by five percent at \$461 million, Europe revenues of \$181 million showed a four percent rise, and Japan at \$236 million was down two percent. Major growth occurred in the rest of the world, which showed total revenues of \$116 million, up 36 percent from Q1 2003.

Employment Data

Reporting EDA companies employed 19,700 professionals in Q1 2004, 3% more than Q1 2003. This was the highest employment figure ever recorded by the MSS since it began tracking employment data in Q1 2000.

About the MSS Report

The EDA Consortium's Market Statistics Service reports EDA industry revenue data quarterly and is available by annual subscription. Each quarterly report is published approximately three months after quarter close. MSS report data is segmented as follows: revenue type (product licenses and maintenance, services, and SIP), application (CAE, PCB/MCM Layout, and IC Physical Design and Verification), operating system (UNIX vs. Windows) and region (North America, Western Europe, Japan, and Rest of World), with many subcategories of detail provided. The report also tracks total employment of the reporting companies.

Because of new member SIP companies reporting the MSS for the first time in Q1 2004, revenue for 2003 has been restated to include prior-year data for all newly added reporting companies, to ensure meaningful comparisons to last year's results. The revised revenue figure for Q1 2003 is \$938 million. The restatements affect only the total revenue, SIP revenue, and employment data.

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.

For more information about the 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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