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**EDA INDUSTRY REPORTS TWO PERCENT GROWTH IN Q2**

**SAN JOSE**, California, October 4, 2004—The EDA Consortium's Market Statistics Service (MSS) today announced a two percent growth over Q2 2003 for second quarter revenue for License and Maintenance, the largest EDA revenue category. Total Q2 revenue, which included Semiconductor Intellectual Property (SIP), was \$993 million, a 4 percent increase over Q2 2003. Services revenue at \$70 million showed an 11 percent increase over the same quarter last year.

"Despite very modest growth in the EDA industry, there are no indications of overall strength," said Walden C. Rhines, chairman of the EDA Consortium and chairman and CEO of Mentor Graphics Corporation. "Growth in services versus last year is positive but the sequential decline is not. Good growth in some areas, like analysis tools, RTL simulation, system level design/verification, floorplanning and resolution enhancement, was offset by weakness in physical design/verification and logic synthesis. Similarly, growth in Pac Rim was offset by weakness or slow growth in other regions."

**Revenue by Category**

EDA's largest tool category, Computer-Aided Engineering (CAE), generated revenue of \$474 million in Q2 2004, 4 percent more than the same period in 2003. IC Physical Design & Verification revenue at \$282 million was down slightly from \$285 million in the same period last year. Revenue for Printed Circuit Board (PCB) and Multi-Chip Module (MCM) Layout totaled \$84 million in Q2 2004, 1 percent less than in Q2 2003.

Semiconductor Intellectual Property revenue rose 28 percent to \$84 million over second quarter of last year. This rise was in part due to growing SIP participation in MSS reporting with CAST and Tensilica initiating participation in the second quarter.

**Revenue by Region**

North America revenues increased by four percent to \$523 million, Europe revenues of \$180 million showed a four percent rise, and Japan at \$176 million was down five percent. Double-digit growth continued in the rest of the world, which showed total revenues of \$115 million, up 19 percent from Q2 2003.

### **Employment Data**

Reporting companies employed 20,000 professionals in Q2 2004, 6 percent more than Q2 2003. This was a new high in employment reported 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.

### **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](http://www.edac.org).

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