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EDA INDUSTRY REPORTS 3% REVENUE GROWTH
IN 4TH QUARTER AND FOR FULL YEAR

SAN JOSE, California April 5, 2005—The EDA Consortium's Market Statistics Service (MSS) today announced that the electronic design automation (EDA) industry revenue for Q4 of 2004 was $1,078 million, a 3% increase over Q4 2003. For the full year 2004, revenue totaled a record $4,019 million, which was 3% more than $3911 million reported in 2003.

"In 2004, The EDA industry crossed the $4 billion mark," said Walden C. Rhines, chairman of the EDA Consortium and chairman and CEO of Mentor Graphics Corporation. "Every quarter saw consistent year over year growth for the whole industry, though the North American region, as well as the IC Physical Design & Verification segment, were both down for the year."

Highlights

Product and Maintenance revenue (excluding services) increased 3% over Q4 2003 and posted a record high quarter of $1,011 million revenue in Q4 2004.

Employment Data

Reporting companies employed 20,962 professionals in Q4 2004, 10% more than Q4 2003.

Revenue by Product Category

EDA's largest tool category, Computer-Aided Engineering (CAE), generated revenue of $523 million in Q4 2004, 9% more than the same period in 2003. CAE revenue for all of 2004 totaled $1,919 million, a 5% increase over 2003.

IC Physical Design & Verification decreased 6% to $326 million in Q4 2004 over the same quarter in 2003. For the full year 2004, IC Physical Design & Verification revenue totaled $1,165 million, a 4% decrease over 2003.

Revenue for Printed Circuit Board (PCB) and Multi-Chip Module (MCM) Layout totaled $91 million in Q4 2004, 9% greater than in Q4 2003. PCB and MCM Layout revenue totaled $341 million for all of 2004, 3% above 2003.

The EDA industry's Semiconductor Intellectual Property (SIP) revenue totaled $71 million in Q4 2004, 2% less than Q4 2003. For 2004, SIP revenue increased to $314 million (vs. $281 million in 2003) due in part to new company participation.

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EDA Services revenue was $67 million in Q4 2004, up 5% from Q4 2003. Services revenue totaled $280 million in 2004, a 12% increase over 2003.

Revenue by Consuming Region

North America, EDA's largest customer base, purchased $494 million of EDA products and services in Q4 2004, a 14% decline from Q4 2003. For all of 2004, North American revenue was $1,950 million (49% global share), 4% less than 2003. North America was the only region to decline for the quarter and for the year.

Western Europe led all regions for revenue growth in Q4 2004, increasing by 33% over Q4 2003 to reach $268 million. For the full year 2004, revenue from Western Europe was $820 million, a 12% increase over 2003, making Western Europe the second largest EDA market and 20% of global revenue in 2004.

In Q4, revenue from Japan grew 14% to $188 million. In 2004 Japan increased 2% over 2003 revenue to reach $783 million in 2004 – a new record for the region. EDA sales in Japan constituted 19% of the global total in 2004.

Rest-of-World (ROW) continued to extend previous years of revenue growth by increasing 23% to $128 million in Q4 2004. Revenue from ROW led all regions for revenue growth for the full year 2004 with an increase of 22% over 2003 to $466 million (12% of global 2004 revenue).

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.

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