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**EDA INDUSTRY REPORTS FLAT REVENUE
IN 1ST QUARTER OF 2005**

SAN JOSE, California July 11, 2005—The EDA Consortium’s Market Statistics Service (MSS) today announced that the electronic design automation (EDA) industry revenue for Q1 of 2005 was \$989 million, versus \$995 million in Q1 2004. Total product revenues, without services, were \$912 million in Q1 of 2005 vs. \$918 million in the same quarter of 2004.

“The industry continued to tread water in the first quarter,” said Walden C. Rhines, chairman of the EDA Consortium and chairman and CEO of Mentor Graphics Corporation. “Continued weakness in North America offset the mild improvements in Japan and the Pacific Rim.”

Highlights

Minor weakness in IC Physical Design & Verification and Computer-Aided Engineering (CAE) were mostly offset by slight improvement in Semiconductor Intellectual Property and Printed Circuit Board.

Employment Data

Reporting companies employed 20,859 professionals in Q1 2005, up 6% from the 19,700 reported in Q1 2004.

Revenue by Product Category

EDA’s largest tool category, Computer-Aided Engineering, generated revenue of \$464 million in Q1 2005, 1% less than the same period in 2004.

Printed Circuit Board and Multi-Chip Module revenue increased 3% in Q1 2005 to \$87 million.

IC Physical Design & Verification revenue was \$279 million in Q1 2005, 2% below the same quarter in 2004.

The EDA industry’s Semiconductor Intellectual Property (SIP) revenue totaled \$82 million in Q1 2005, a 5% increase over Q1 2004, due in part to new company participation.

EDA Services revenue was \$77 million in Q1 2005, up 1% from Q1 2004.

Revenue by Consuming Region

North America, EDA's largest region, purchased \$449 million of EDA products and services in Q1 2005, a 3% decline from Q1 2004.

Western Europe revenue was essentially flat in Q1 2005 with revenues of \$180 million.

2005 Q1 revenue from Japan grew 2% over Q1 2004 to \$242 million.

Rest-of-World (ROW) continued to extend previous years of revenue growth by increasing 2% to \$119 million in Q1 2005.

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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