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EDA INDUSTRY REPORTS FLAT REVENUE IN 2ND QUARTER OF 2005

SAN JOSE, California, Oct. 5, 2005—The EDA Consortium’s Market Statistics Service (MSS) today announced that electronic design automation (EDA) industry revenue for Q2 of 2005 was \$1,091 million, versus \$1,094 million in Q2 2004. Total product revenues, without services, were \$1,028 million in Q2 of 2005 vs. \$1,024 million in the same quarter of 2004.

“The EDA industry continues to realign, as strength in printed circuit board, IC physical design and verification, offsets weakness in traditional markets like computer-aided engineering,” said Walden C. Rhines, chairman of the EDA Consortium and chairman and CEO of Mentor Graphics Corporation. “Japan continued its strong growth momentum, up 15% over the second quarter of 2004.”

Highlights

Weaknesses in Computer-Aided Engineering (CAE) and Services were mostly offset by strength in Semiconductor Intellectual Property (SIP) along with slight improvements in Printed Circuit Board and Multi-Chip Module Layout, and in IC Physical Design & Verification.

Employment Data

Reporting companies employed 20,780 professionals in Q2 2005, up 4% from the 20,066 reported in Q2 2004.

Revenue by Product Category

EDA’s largest tool category, Computer-Aided Engineering, generated revenue of \$445 million in Q2 2005, 6% less than the same period in 2004.

Printed Circuit Board and Multi-Chip Module revenue increased 3% in Q2 2005 to \$86 million.

IC Physical Design & Verification revenue was \$289 million in Q2 2005, 2% above the same quarter in 2004.

The EDA industry’s Semiconductor Intellectual Property revenue totaled \$208 million in Q2 2005, a 13% increase over Q2 2004. To more completely represent SIP, the market statistics service has been expanded to include SIP revenue data from publicly available sources beginning with the current report. Past quarters were updated in the report so that quarterly comparisons include the publicly available data.

EDA Services revenue was \$64 million in Q2 2005, down 9% from Q2 2004.

Revenue by Consuming Region

North America, EDA's largest region, purchased \$528million of EDA products and services in Q2 2005, flat compared to Q2 2004.

Western Europe revenue was essentially flat in Q2 2005 with revenues of \$189 million.

Japan led all regions in terms of growth, with revenue of \$242 million and 15% growth in 2Q 2005 compared to 2Q 2004.

Rest-of-World (ROW) continued to extend previous years of revenue growth by increasing 5% to \$132 million in Q2 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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