



Press Contact:
Ryerson Schwark, 503-685-1660

BOARD OF DIRECTORS

CHAIRMAN:

Walden C. Rhines
Mentor Graphics Corp.

VICE CHAIRMAN:

Alan P. Naumann
CoWare, Inc.

DIRECTORS:

John Bourgoin
MIPS Technologies

Aart de Geus
Synopsys, Inc.

Jim Douglas
ReShape, Inc.

Michael J. Fister
Cadence Design Systems

Kathryn Kranen
Jasper Design Automation

Sanjay Srivastava
Denali Software

**EDA INDUSTRY REPORTS 6% REVENUE GROWTH IN 3RD QUARTER
OF 2005**

SAN JOSE, Calif., Dec 20, 2005—The EDA Consortium’s Market Statistics Service (MSS) today announced that electronic design automation (EDA) industry revenue for the third quarter of 2005 was up 6% to \$1,122 million, versus \$1,062 million in the third quarter 2004

“Total EDA license and maintenance grew a solid 6% in the third quarter to \$851 million,” said Walden C. Rhines, chairman of the EDA Consortium and chairman and CEO of Mentor Graphics Corporation. “The industry strength was broad-based, with all regions up, as well as nearly all product segments.”

Employment Data

Reporting companies employed 21,140 professionals in Q3 2005, up 3% from the 20,462 reported in Q3 2004.

Revenue by Product Category

EDA’s largest tool category, Computer-Aided Engineering, generated revenue of \$469 million in Q3 2005, 4% above the same period in 2004.

The IC Physical Design & Verification segment for Q3 2005 achieved revenue of \$296 million, a 9% rise over Q3 2004.

Printed Circuit Board and Multi-Chip Module revenue was essentially flat in Q3 2005 at \$81 million.

The EDA industry’s Semiconductor Intellectual Property revenue totaled \$199 million in Q3 2005, a 5% increase over Q3 2004.

Services revenue rose 9% to \$72 million in Q3 2005 over Q3 2004.

Revenue by Consuming Region

North America, EDA’s largest region, purchased \$532 million of EDA products and services in Q3 2005, up 3% compared to Q3 2004.

Western Europe revenue increased 7% in Q3 2005 with revenues of \$218 million.

Revenue in Japan grew 9% in the third quarter to \$243 million, up from \$222 million in the same quarter a year ago. Rest-of-World (ROW) continued its quarterly year on year revenue growth, consistent since Q4 1998, by increasing 9% to \$129 million in Q3 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.

###

The information supplied by the EDA Consortium is believed to be accurate and reliable, but the Consortium assumes no responsibility for any errors that may appear in this document. All trademarks and registered trademarks are the property of their respective owners.