



Press Contact:

Yvette Huygen, Synopsys, Inc., 650-584-4547

**BOARD OF
DIRECTORS**

CHAIRMAN:

Aart de Geus
Synopsys, Inc.

VICE CHAIRMEN:

Kathryn Kranen
Jasper Design
Automation

Walden C. Rhines
Mentor Graphics Corp.

DIRECTORS:

John Bourgoin
MIPS Technologies

Michael J. Fister
Cadence Design
Systems

John Kibarian
PDF Solutions

Alan P. Naumann
CoWare, Inc.

Scott Sandler
Novas Software

Sanjay Srivastava
Denali Software

**EDA CONSORTIUM REPORTS CONTINUED GROWTH
IN THIRD QUARTER 2006**

SAN JOSE, California, January 17, 2007—The EDA Consortium’s Market Statistics Service (MSS) today announced that the electronic design automation (EDA) industry revenue for Q3 of 2006 grew to \$1,309 million compared to \$1,122 million in Q3 2005. This increase reflects both the continuing growth of the industry as a whole and the growth of the MSS program, which enjoyed a net increase in the number of participating companies compared to the same quarter last year. The MSS average annual growth rate comparing the most recent four quarters to the same four quarters in the prior year was 12 percent. When comparing the same quarter in 2005, revenue in Q3 2006 jumped by 17 percent.

“The MSS is not only a key indicator of the health of the EDA industry, it also tells us how the industry landscape is shifting in response to global competition and strong consumer demand for our customer’s semiconductor products,” said Aart de Geus, chairman of the EDA Consortium and chairman and CEO of Synopsys, Inc. “Long-standing EDA categories are registering their strongest growth in at least five years. This is alongside our most recently expanded segment, semiconductor IP, which is currently growing at a fast pace.”

The number of EDA industry employees has also grown worldwide. Companies tracked in the MSS employed 25,018 professionals in Q3 2006, up 11 percent from 22,462 in Q3 2005.

While individual company revenue is not revealed in the MSS, a complete listing of reporting companies for each major product category is shown in the full report. A net total of six new reporting companies were added to the MSS between Q3 2005 and Q3 2006. Because the total number of companies reporting to the MSS can change from quarter to quarter, comparing revenue growth for the most recent four quarters with the same four quarters in the previous year provides a longer-term industry view as well as mitigates seasonal fluctuations.

Revenue by Product Segment

EDA's largest product segment, Computer-Aided Engineering, generated revenue of \$533 million in Q3 2006, 13 percent more than the same period in 2005. In Q3 2006, CAE represented 40 percent of industry revenue.

IC Physical Design & Verification revenue increased 19 percent to \$354 million in Q3 2006 compared to the same quarter in 2005. This segment is the second largest in the MSS, representing 27 percent of industry revenue.

Semiconductor Intellectual Property (SIP) revenue totaled \$246 million in Q3 2006, a 24 percent increase compared to Q3 2005. SIP has become the third-largest segment in the MSS, delivering 19 percent of industry revenue.

Printed Circuit Board and Multi-Chip Module revenue increased 24 percent to \$101 million in Q3 2006 compared to Q3 2005. In Q3 2006, PCB represented 8 percent of revenue.

Services revenue was \$75 million in Q3 2006, up 4 percent from Q3 2005. Services represented 6 percent of industry revenue in the quarter.

Revenue by Consuming Region

North America, EDA's largest region, purchased \$634 million of EDA products and services in Q3 2006, a 19 percent increase over Q3 2005.

Western Europe revenue was up 14 percent in Q3 2006 with revenues of \$249 million.

Q3 2006 revenue from Japan grew 8 percent in Q3 2005 to \$262 million.

Revenue in the rest of the world (ROW) increased 27 percent to \$164 million in Q3 2006 compared to the same quarter a year earlier.

About the MSS Report

The EDA Consortium's Market Statistics Service reports EDA industry revenue data quarterly and is available by annual subscription. Both public and private companies contribute data to the report. 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, email mss@edac.org, 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.