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**EDA CONSORTIUM REPORTS INDUSTRY REVENUE DOWN  
IN THIRD QUARTER 2008**

**SAN JOSE, California, January 12, 2009**—The EDA Consortium (EDAC) Market Statistics Service (MSS) today announced that the electronic design automation (EDA) industry revenue for Q3 2008 declined 10.9 percent to \$1258.6 million compared to \$1412.1 million in Q3 2007. The four-quarter moving average declined 2.8 percent. Note that revenue numbers which include Q1 and Q2 2008 reflect a restatement of those numbers.

“Surprisingly high year-over-year growth in the services segment and a small increase in PCB design tools and Semiconductor IP were offset by declines in CAE and IC Physical Design & Verification, resulting in an overall decline for Q3, 2008,” said Walden C. Rhines, EDAC chair and Mentor Graphics CEO and chairman. “While the double-digit drop affected all regions except Rest of World (ROW), which showed only 1 percent decline, all regions except North America had a positive four-quarter moving average. This illustrates the sharpness of the decline in third quarter.”

Companies that were tracked employed 28,176 professionals in Q3 2008, up 3.4 percent from the 27,254 employed in Q3 2007, and 6% over the 28,004 employed in Q2, 2008.

**Revenue by Product Category**

EDA’s largest category, Computer Aided Engineering (CAE), generated revenue of \$465.4 million in Q3 2008, representing a 17.6 percent decrease over the same period in 2007. The four-quarter moving average CAE growth rate declined slightly at 1.9 percent, including the impact of the Q1 and Q2 2008 restatement.

In the next largest category, IC Physical Design & Verification, revenue decreased to \$298.7 million in Q3 2008, a 22.3 percent decrease compared to Q3 2007. The four-quarter moving average growth rate declined 10.1 percent for IC Physical Design & Verification.

Printed Circuit Board and Multi-Chip Module (PCB & MCM) revenue increased 2.5 percent over Q3 2007 to \$130.9 million. The four-quarter moving average growth rate for PCB & MCM showed an 0.4 percent increase.

Semiconductor Intellectual Property (SIP) revenue totaled \$267.8 million in Q3 2008, a 1.8 percent increase over Q3 2007. The four-quarter moving average growth rate for SIP was slightly down at 1.2 percent.

Services revenue was \$104.8 million in Q3 2008, up 25 percent from Q3 2007. The four-quarter moving average growth rate for services was up 14 percent.

### **Revenue by Consuming Region**

North America, EDA's largest region, purchased 555.5 million of EDA products and services in Q3 2008, which represents an 11 percent decrease compared to Q3 2007. The four quarter moving average growth rate was down 10 percent for North America.

Western Europe revenue was down 12.9 percent in Q3 2008 compared to Q3 2007, with revenues of \$247.7 million. The four quarter moving average growth for Western Europe was up 3.9 percent.

Q3 2008 revenue from Japan decreased 15.3 percent to \$254.8 million compared to Q3 2007. The four quarter moving average for Japan increased 5.4 percent.

Rest-of-World (ROW) decreased to \$200.5 million in Q3 2008, a 0.9 percent decrease compared to the same quarter in 2007. The four quarter moving average growth was positive at 1.1 percent.

### **About the MSS Report**

The EDA Consortium 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), 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 design tools and services that enable engineers to create the world's electronic products used for communications, computer, space technology, medical, automotive, industrial equipment, and consumer electronics markets among others. For more information about the EDA Consortium visit [www.edac.org](http://www.edac.org), or to subscribe to the Market Statistics Service call (408) 287-3322 or email [mss08@edac.org](mailto:mss08@edac.org).

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