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ESD ALLIANCE REPORTS EDA INDUSTRY REVENUE INCREASE FOR Q2 2016

SAN JOSE, Calif., September 29, 2016—The Electronic System Design (ESD) Alliance (formerly EDAC) Market Statistics Service (MSS) today announced that the Electronic Design Automation (EDA) industry revenue increased 5.6 percent for Q2 2016 to \$2012.6 million, compared to \$1906.5 million in Q2 2015. The four-quarters moving average, which compares the most recent four quarters to the prior four quarters, increased by 3.6 percent.

“Industry revenue reflected solid growth in Q2, including increases in the Americas and double-digit increases in Asia-Pacific and Japan,” said Walden C. Rhines, board sponsor for the ESD Alliance MSS and chairman and CEO of Mentor Graphics. “Product categories CAE, Semiconductor IP, IC Physical Design & Verification, and PCB & MCM all reported increases this quarter.”

Companies that were tracked employed a record 34,988 professionals in Q2 2016, an increase of 6.7 percent compared to the 32,806 people employed in Q2 2015, and up 1.4 percent compared to Q1 2016.

The complete quarterly MSS report, containing detailed revenue information broken out by both categories and geographic regions, is available to members of the ESD Alliance.

Revenue by Product Category

Computer Aided Engineering (CAE), generated revenue of \$662.4 million in Q2 2016, which represents an 0.8 percent increase compared to Q2 2015. The four-quarters moving average for CAE decreased 1.3 percent.

IC Physical Design & Verification revenue was \$415 million in Q2 2016, a 9.4 percent increase compared to Q2 2015. The four-quarters moving average increased 4 percent.

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Printed Circuit Board and Multi-Chip Module (PCB & MCM) revenue of \$167.8 million for Q2 2016 represents an increase of 8.1 percent compared to Q2 2015. The four-quarters moving average for PCB & MCM increased 0.2 percent.

Semiconductor Intellectual Property (SIP) revenue totaled \$668 million in Q2 2016, a 9.2 percent increase compared to Q2 2015. The four-quarters moving average increased 10.3 percent.

Services revenue was \$99.4 million in Q2 2016, a decrease of 3.6 percent compared to Q2 2015. The four-quarters moving average decreased 0.9 percent.

Revenue by Region

The Americas, EDA's largest region, purchased \$908.4 million of EDA products and services in Q2 2016, an increase of 4.4 percent compared to Q2 2015. The four-quarters moving average for the Americas increased 2.3 percent.

Revenue in Europe, the Middle East, and Africa (EMEA) decreased 6.8 percent in Q2 2016 compared to Q2 2015 on revenues of \$284.7 million. The EMEA four-quarters moving average decreased 1.8 percent.

Second quarter 2016 revenue from Japan increased 15.7 percent to \$211.4 million compared to Q2 2015. The four-quarters moving average for Japan increased 6.6 percent.

The Asia/Pacific (APAC) region revenue increased to \$608.1 million in Q2 2016, an increase of 10.9 percent compared to the second quarter of 2015. The four-quarters moving average increased 7.6 percent.

The complete MSS report, available to the ESD Alliance members, contains additional detail for countries in the Asia/Pacific region.

About the MSS Report

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The ESD Alliance Market Statistics Service reports EDA industry revenue data quarterly and is available to Alliance members. 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 & Verification), and region (the Americas, Europe Middle East and Africa, Japan, and Asia Pacific), with many subcategories of detail provided. The report also tracks total employment of the reporting companies.

About the ESD Alliance

The Electronic System Design Alliance (ESD Alliance) is an international association of companies that provide goods and services that are the foundation of the semiconductor design ecosystem. This ecosystem encompasses all of the activities required to create a semiconductor design and associated hardware and software for manufacturing and delivery of new electronic products.

Member companies include developers and suppliers of EDA, semiconductor IP, embedded software, packaging, PCB/interconnect and others. Collectively, they provide the software, services, intellectual property and hardware needed to design and verify semiconductors, associated software, packaging and interconnect technologies for the manufacturing of these products. Markets served by these products range from computers, communications, networking, medical and industrial equipment, automotive electronics, and consumer electronics to emerging markets such as the Internet of Things (IoT). For more information about the ESD Alliance, visit <http://www.esd-alliance.org/>.

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