

# EDAC Forecast Panel

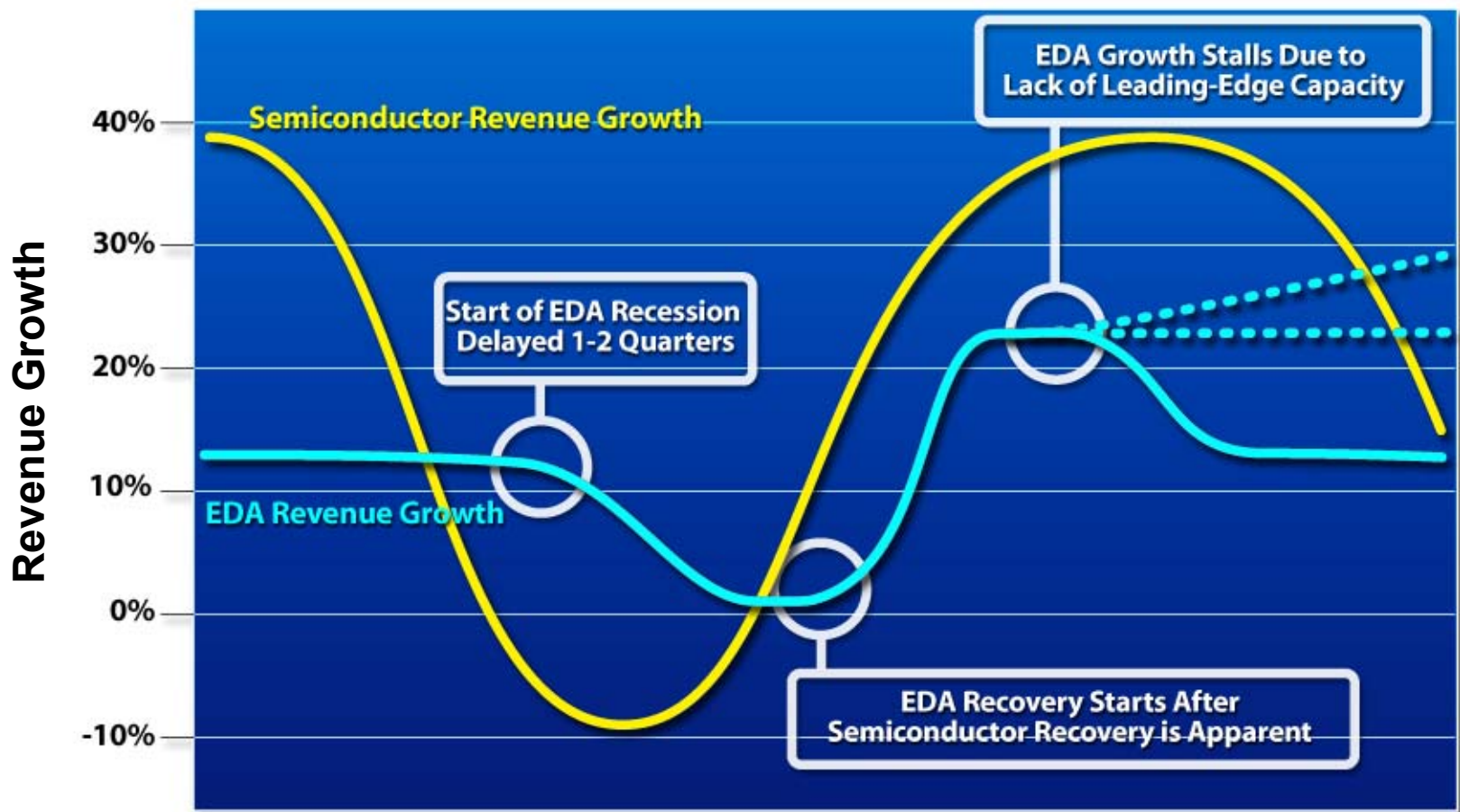
**Walden C. Rhines**

**CHAIRMAN & CEO**

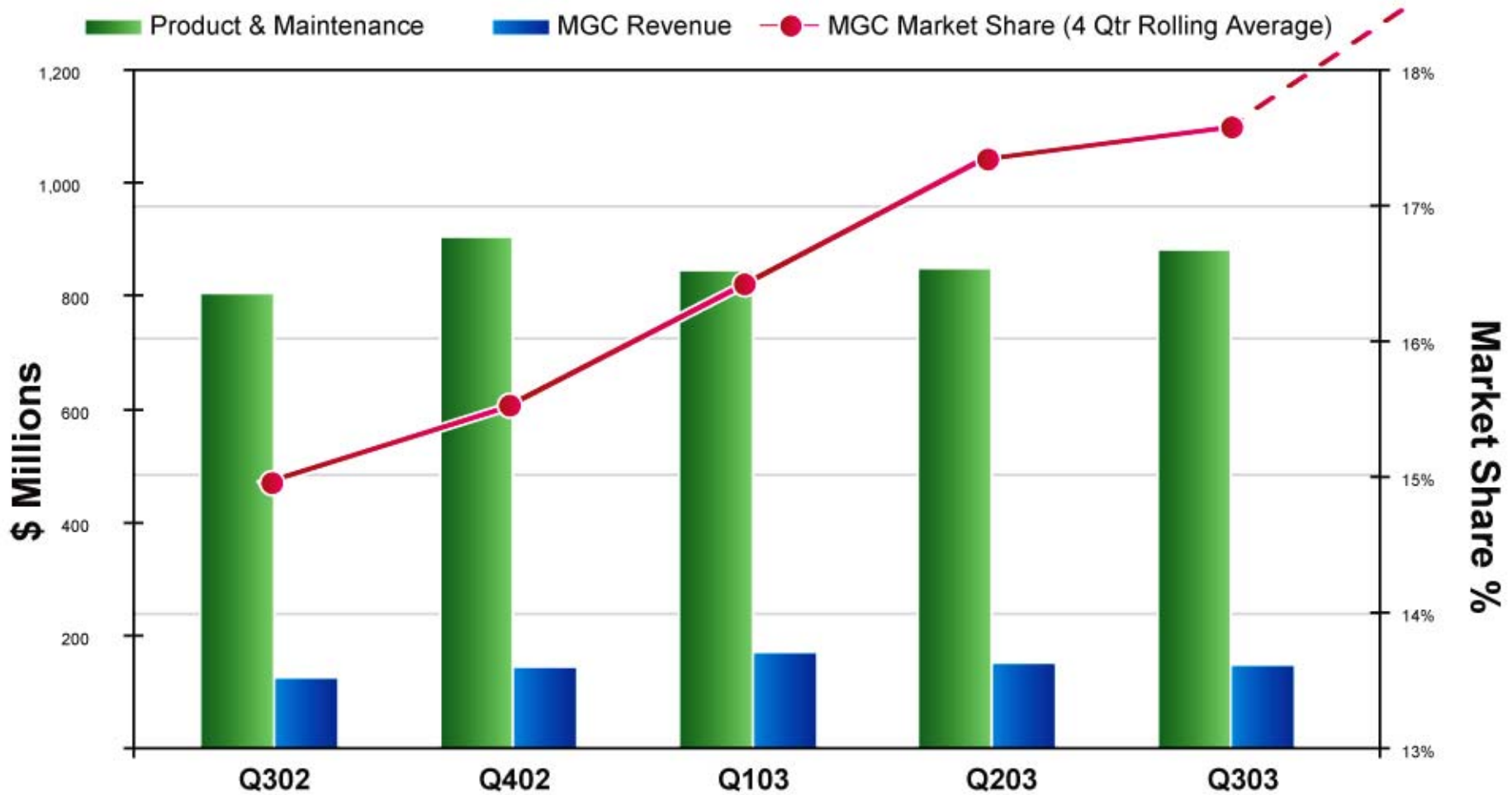
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# Semiconductor Recovery Will be Longer Than Normal With Many “Boomlets”

Semiconductor Growth vs. Semiconductor Related EDA Growth

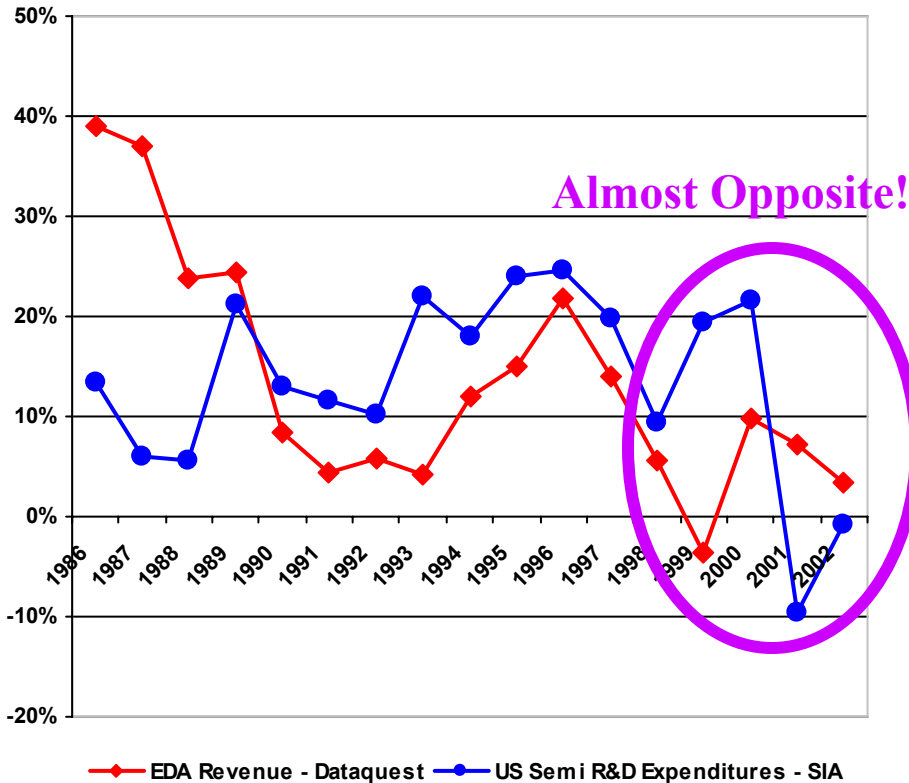


# New Products/Markets Drove 2003 EDA “Growth”

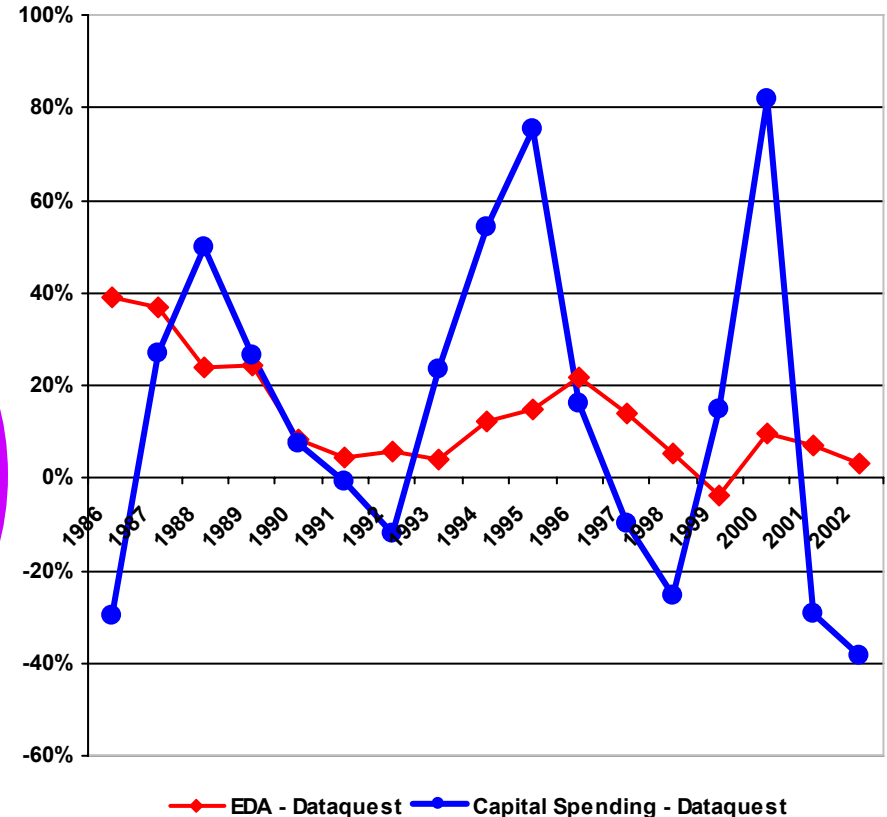


# The Search for Leading Indicators of EDA Recovery

## EDA Revenue vs US Semiconductor R&D



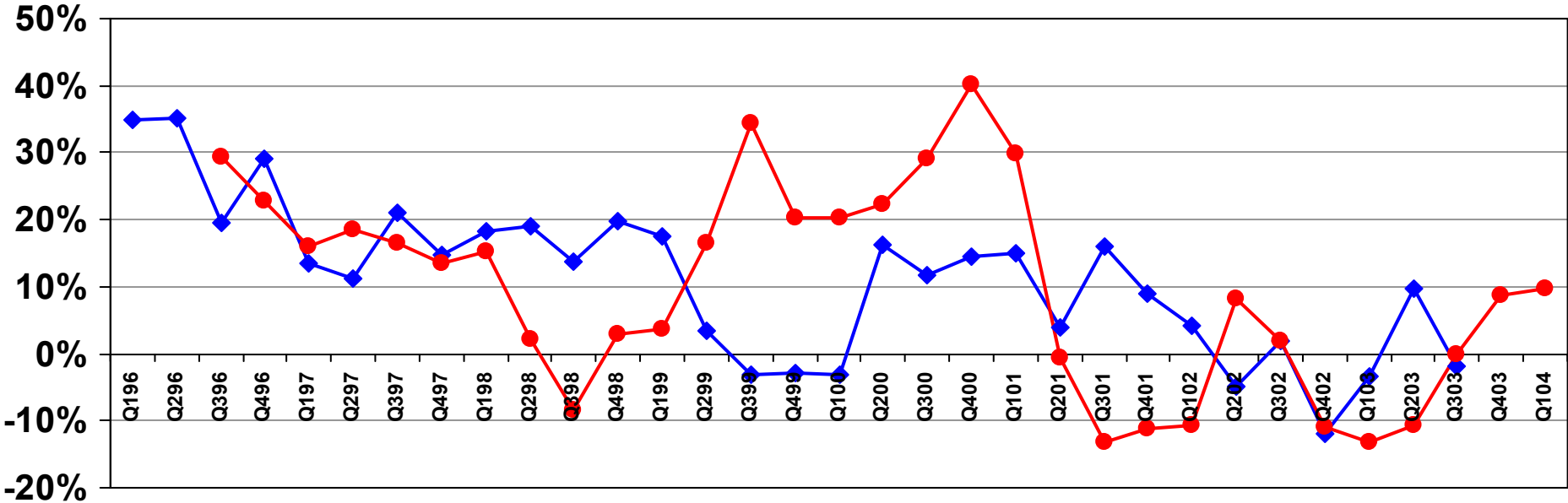
## EDA Revenue vs US Semiconductor Capital Spending



Source: Dataquest Reports & SIA Annual Databook

# EDA vs Photomask Industry Revenue

◆ EDA Product & Maintenance ● Photomask Proxy



Note: Photomask Proxy = Photronics and Dupont Photomask Revenue Combined

Note: EDA Product & Maintenance

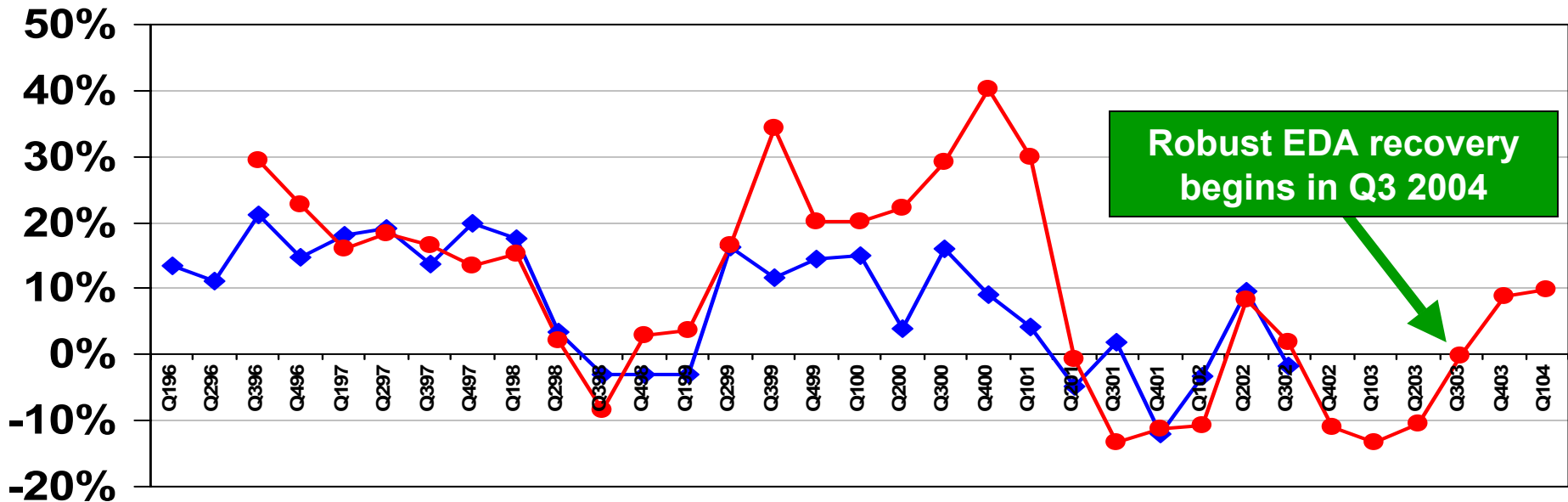
Source: EDAC Market Statistics Service, Company Reports & Needham



# EDA vs Photomask Industry Revenue

## Shifted Four Quarters

◆ EDA Product & Maintenance ● Photomask Proxy



Robust EDA recovery begins in Q3 2004

Note: Photomask Proxy = Photronics and Dupont Photomask Revenue Combined

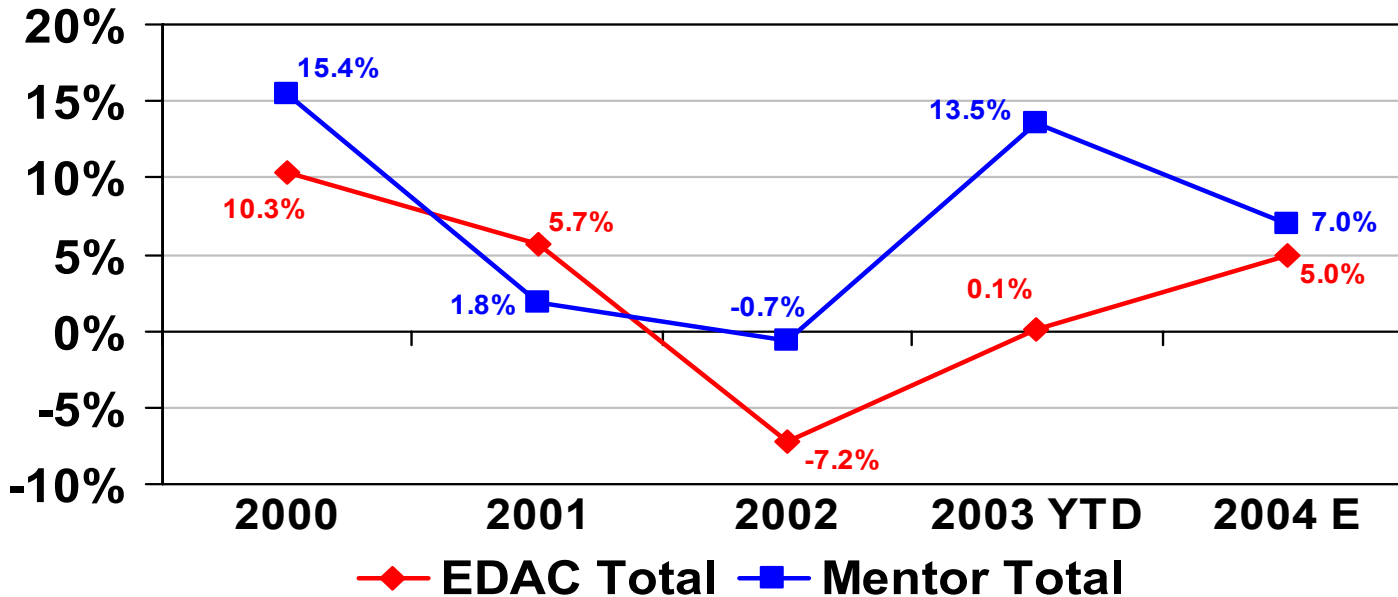
Note: EDA Product & Maintenance

Source: EDAC Market Statistics Service, Company Reports & Needham

# 2004 EDA Industry Forecast

- If Photomask Industry indicator works, robust EDA recovery begins in Q3'04
- If not, EDA grows 5% in 2004
- Until EDA robust recovery, new products will dominate industry growth

Annual Growth (EDA Total & Mentor Graphics)



Source: Company Reports & EDAC Market Statistics Service  
2003YTD EDAC Q1-Q3, Mentor Q1-Q4

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