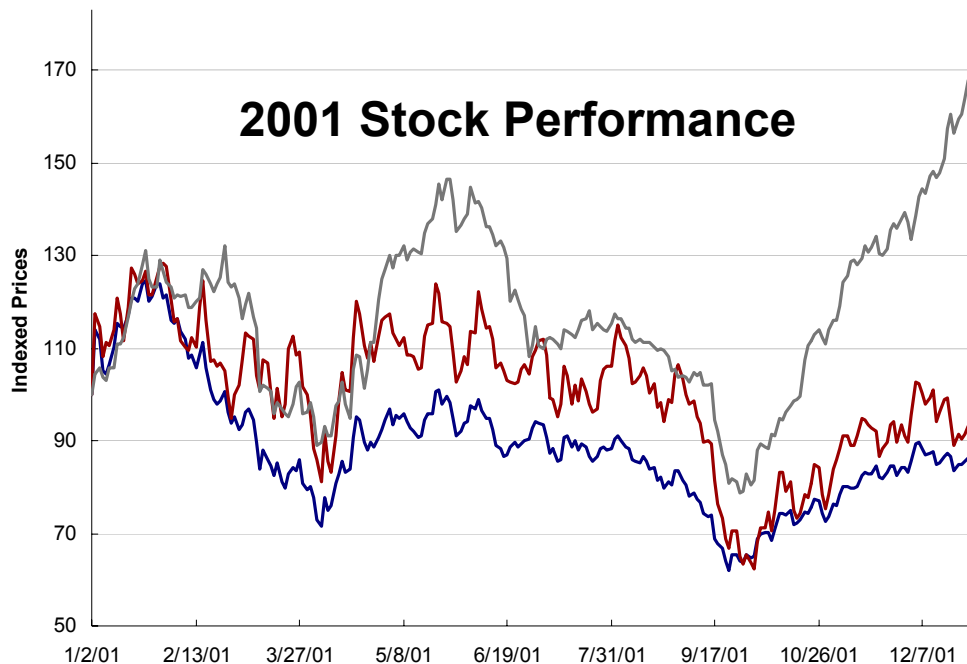




# EDA Consortium CEO Forecast Panel 2003

For pertinent disclosure, please see page 9.

- Top performing IPOs in 2001
- No IPOs in 2002
- Outperformance in 2001
- Underperformance in 2002



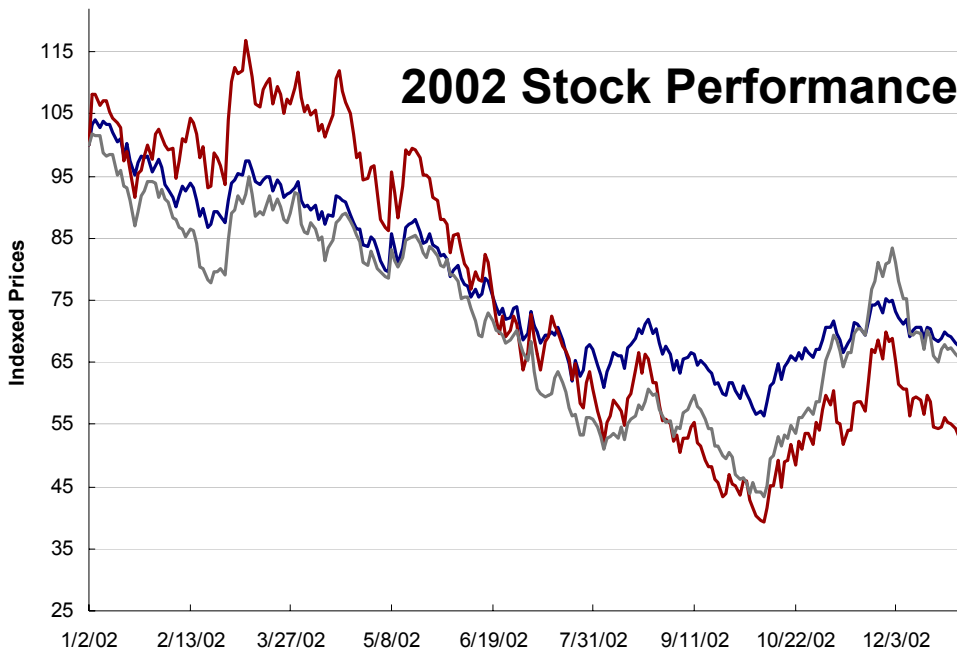
RBC CM EDA Index Includes:  
 Artisan Components (NASDAQ: ARTI),  
 Cadence Design (NYSE: CDN),  
 Magma Design (NASDAQ: LAVA),  
 Mentor Graphics (NASDAQ: MENT),  
 Nassda (NASDAQ: NSDA),  
 Synopsys (NASDAQ: SNPS),  
 Synplicity (NASDAQ: SYNP),  
 Verisity (NASDAQ: VRST)

RBC CM EDA Index Inception Date: February 3, 2003

— NASDAQ Composite Index  
 — PHLX Semiconductor Index  
 — EDS\_PUBLIC Composite

Source: FactSet

- **Stock Market**
- **Semiconductors**
- **EDA**
- **Investment Banking**



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Source: FactSet

## Number of private design automation companies funded:

<b>2000</b>	<b>70</b>
<b>2001</b>	<b>59</b>
<b>2002</b>	<b>34</b>

Source: VentureSource (Worldwide, design automation software, all funding classes)

- **Synopsys**    **Numerical, Avant!, Co-Design, InSilicon**
- **Cadence**    **Plato, Simplex, Silicon Perspectives**
- **Mentor**    **Innoveda, IKOS, Accelerated Technology**
- **Synplicity**    **IOTA, Bridges2Silicon (technology acquisitions)**
- **Artisan**    **NurLogic**

	<i>2002 Rev</i>	<i>2003 E Rev</i>	<i>Change</i>
<b>ARTI</b>	<b>\$43.7M</b>	<b>\$65.0M*</b>	<b>49%*</b>
<b>CDN</b>	<b>\$1293.1M</b>	<b>\$1135.8M</b>	<b>-12%</b>
<b>LAVA</b>	<b>\$70.8M</b>	<b>\$94.4M</b>	<b>33%</b>
<b>MENT</b>	<b>\$596.2M</b>	<b>\$672.5M</b>	<b>13%</b>
<b>NSDA</b>	<b>\$37.1M</b>	<b>\$46.8M</b>	<b>26%</b>
<b>SNPS</b>	<b>\$995M E</b>	<b>\$1216.7M</b>	<b>22%</b>
<b>SYNP</b>	<b>\$45.6M</b>	<b>\$48.6M</b>	<b>7%</b>
<b>VRST</b>	<b>\$52.5M</b>	<b>\$54.0M</b>	<b>3%</b>
<b>Total</b>	<b>\$3134.0B</b>	<b>\$3322.6M</b>	<b>6%</b>
<b>Total w/acqs*</b>			<b>0%</b>

\*Excludes effects of Nurlogic acquisition

Source: Thompson FirstCall calendar year consensus estimates, except "Total w/acqs," and RBC Capital Markets estimate

	<i>2002 EPS</i>	<i>2003 E EPS</i>	<i>Change</i>
<b>ARTI*</b>	<b>\$0.27</b>	<b>\$0.49</b>	<b>81%</b>
<b>CDN</b>	<b>\$0.63</b>	<b>\$0.48</b>	<b>-24%</b>
<b>LAVA</b>	<b>\$0.24</b>	<b>\$0.45</b>	<b>88%</b>
<b>MENT</b>	<b>\$0.40</b>	<b>\$0.50</b>	<b>25%</b>
<b>NSDA</b>	<b>\$0.29</b>	<b>\$0.37</b>	<b>28%</b>
<b>SNPS</b>	<b>\$2.53 <i>E</i></b>	<b>\$3.21</b>	<b>27%</b>
<b>SYNP</b>	<b>\$0.01</b>	<b>\$0.00</b>	<b>NM</b>
<b>VRST</b>	<b>\$0.63</b>	<b>\$0.47</b>	<b>-25%</b>

\*Excludes effects of Nurlogic acquisition

Source: Thompson FirstCall calendar year consensus earnings estimates

**Ray Bingham**

**Cadence Design Systems, Inc.**

**Aart de Geus**

**Synopsys, Inc.**

**Wally Rhines**

**Mentor Graphics Corporation**

**Sang Wang**

**Nassda Corporation**

**Alan Naumann**

**Coware, Inc.**

**Jacques Benkoski**

**Monterey Design Systems, Inc.**

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RBC Capital Markets		Distribution of Ratings, Firmwide			
		IB Serv./Past 12 Mos.			
Rating	Count	Percent	Count	Percent	
BUY [TP/O]	407	48.45	100	24.57	
HOLD [SP]	345	41.07	49	14.20	
SELL [U]	81	9.64	7	8.64	

Data points are not adjusted for stock splits/dividends.

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#### Ratings:

Top Pick (TP): Represents analyst's best ideas in Outperform category; expected to significantly outperform sector over 12 months; provides best risk-reward ratio; approximately 10% of analyst's recommendations.

Outperform (O): Expected to materially outperform sector average over 12 months.

Sector Perform (SP): Returns expected to be in line with sector average over 12 months.

Underperform (U): Returns expected to be materially below sector average over 12 months.

#### Risk Qualifiers:

Average Risk (Avg): Volatility and risk expected to be comparable to sector; average revenue and earnings predictability; no significant cash flow/financing concerns over coming 12-24 months; and/or fairly liquid.

Above Average Risk (AA): Volatility and risk expected to be above sector; below average revenue and earnings predictability; may not be suitable for a significant class of individual equity investors; may have negative cash flow; and/or low market cap or float.

Speculative (Spec): Risk consistent with venture capital; low public float; potential balance sheet concerns; and/or risk of being delisted.

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