

Emerging Consumer Market — Trends You Can't Ignore!

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Consumer-Like Markets — Changes The Playing Field!



IC Design Issues:

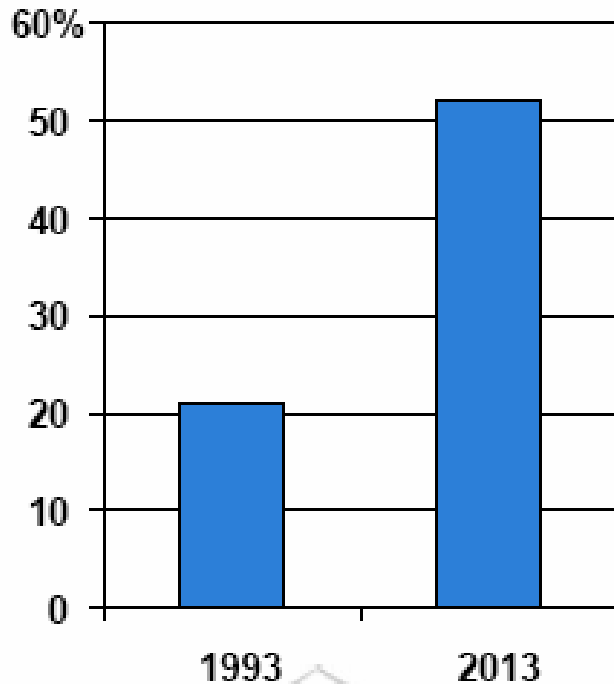
- Feature Set
- Technology Mix
- Volume (moderate)
- Time to Market
- Edsel vs. Mustang

All at a

Non-Spousal Approval Price Point

Consumer Markets Drive IC's

Consumer percent of semiconductor market



Gartner Dataquest
Semiconductor Industry Summit

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CE Pose Design Challenge

- Non-Spousal Approval Price Point vs. Corporate Sign-Off
- Al Dente Marketing vs. Planned, Defined Markets
- Highly Segmented Markets vs. Big, Deep, Markets
- Silicon Platforms vs. Accelerating ASIC Cost

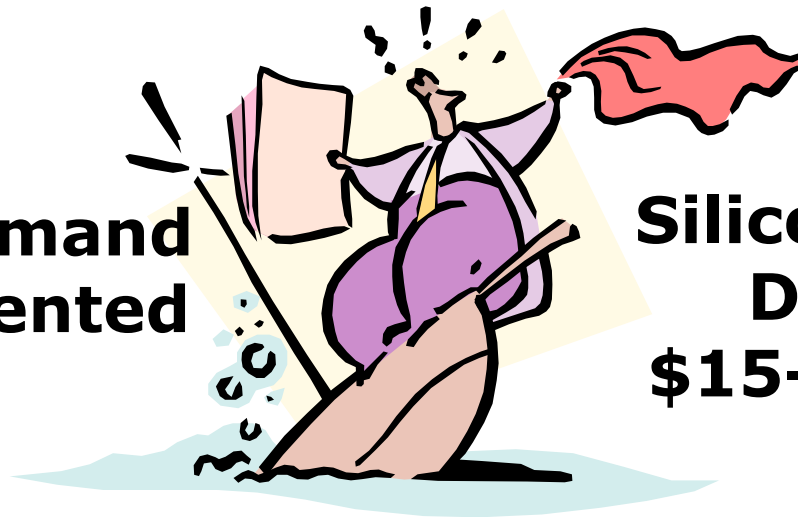
Semiconductor Industry's Fundamental Model... **Is BROKEN!**

Non-Spousal Approval Price

**In-elastic Demand
Highly Segmented**

**Silicon Integration
Design Cost
\$15-\$25M/design**

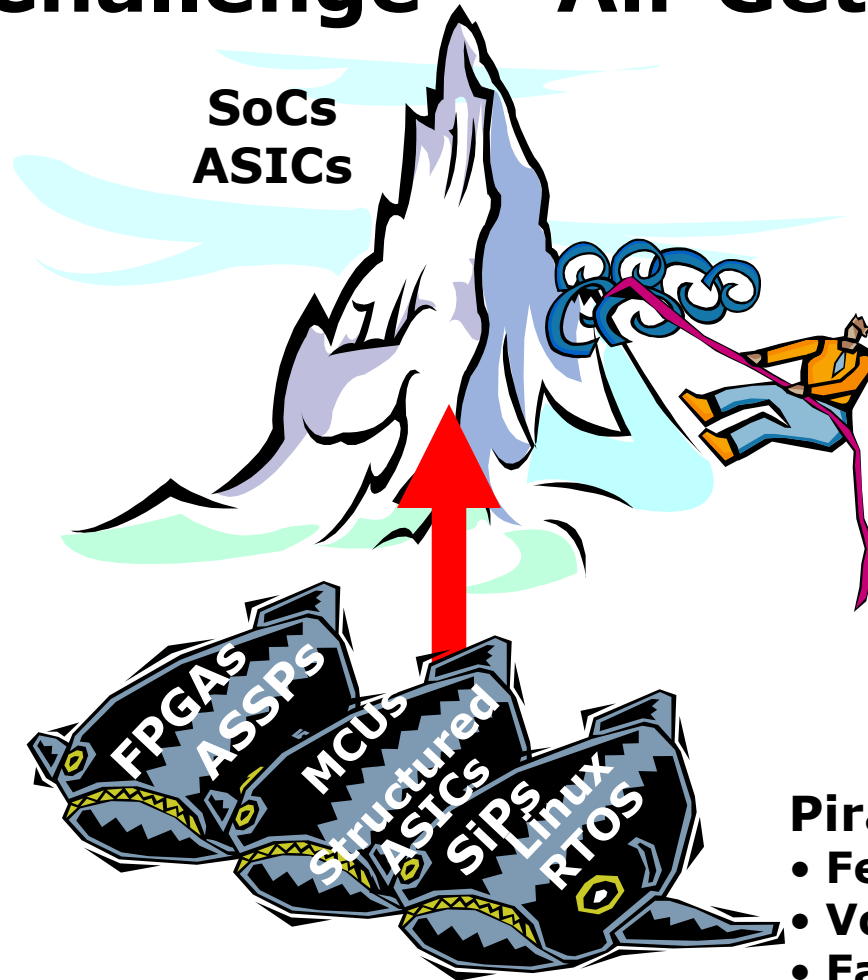
**Silicon "Shrinks"
Now Costly!**



Everest Challenge — Air Gets Thinner!

**Valued
by
IC
Design**

**Valued
by
Systems
Vendor**



- Piranha Provide**
- Feature Flexibility
 - Volume Flexibility
 - Faster Time to Market
 - Lower Cost

Be the Rugged Individualists in EDA

- ♦ Tool Interoperability
 - Allows emerging companies to innovate
 - IC design groups get best of breed
- ♦ Platform ICs
 - Platform ICs (ASSPs, structured ASICs) provide performance and cost advantage
 - EDA vendors support hardware and systems design
- ♦ Embedded Software
 - System design flexibility over hardware
 - Time to market advantage

Pepper . . . and Salt

THE WALL STREET JOURNAL



“At this point maybe we’re just not ready to commit to a Wi-Fi enabled Linux-based pasta machine.”

Think!

Value

Growth

Profit

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Tonight's Panel...

- ♦ **Greg Spirakis**, VP Technology & Manufacturing Group and Director of Design Technology (DT) — Intel Corporation
- ♦ **Bob Payne**, Senior VP/GM Advanced System Technology — Philips Semiconductors
- ♦ **Kevin Morgan**, VP Engineering — MontaVista Software
- ♦ **Charles Welch**, Managing Director — SVB Alliant