



For Immediate Release

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EDA INDUSTRY REPORTS Q3 2002 REVENUES

BOARD OF DIRECTORS

IC Physical Design & Verification Tool Revenue Grew 6%

CHAIRMAN:

Walden C. Rhines
Mentor Graphics Corp.

SAN JOSE, California, January 6, 2003—The EDA Consortium's Market Statistics Service (MSS) today announced that the electronic design automation (EDA) industry revenues for the third quarter of 2002 were \$964 million, compared to \$987 million in Q3 2001.

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"EDA industry product and maintenance revenue grew +1.8 percent in the third quarter 2002, versus last year's third quarter," remarked Walden C. Rhines, EDA Consortium chairman, and chairman and CEO of Mentor Graphics Corporation. "Weakness in design services revenue caused a modest decline in total EDA revenue. At the end of the third quarter of 2002, the total EDA product and maintenance revenue growth is positive. This is an improvement from the first half of 2002. Increasing purchases of EDA products and maintenance reflects the priority that electronics companies place on maintaining a strong design capability despite tight budget constraints."

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MSS Third-Quarter 2002 Highlights

Revenue by Category

IC Physical Design & Verification set the pace for revenue growth in the industry for the eighth consecutive quarter growing 6% in the third quarter of 2002, compared to Q3 2001, to \$324 million. EDA's largest tool category, Computer-Aided Engineering (CAE), generated revenues totaling \$464 million in Q3 2002, compared with \$467 million in Q3 in 2001. Printed Circuit Board (PCB) and Multi-Chip Module (MCM) Layout totaled \$84 million in Q3 2002, compared with \$85 million in the same period last year. The EDA industry's Semiconductor Intellectual Property (SIP) posted positive revenue growth for the third consecutive quarter in Q3 2002, totaling \$32 million, 6% more than in Q3 2001. EDA Services revenue was \$61 million in Q3 2002, 39% less than in Q3 2001.

Revenue by Consuming Region

The North America Region, EDA's largest customer base, purchased \$555 million of EDA products and services in Q3 2002, 4% higher than during the same period a year ago. Revenue in Western Europe was \$168 million in Q3, 28% less than in Q3 2001. Revenue from Japan increased to \$156 million in Q3, marking a return to positive revenue growth for the first time in six quarters. Rest-of-World (ROW) continued its string of revenue growth and led all regions in growth by increasing 16% to \$86 million. Revenues from ROW constituted 9% of global EDA revenue consumption in Q3.

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Industry Employment

In Q3 2002 reporting EDA companies employed 18,600, down slightly from 18,800 in Q2.

About the MSS Report

The EDA Consortium's Market Statistics Service reports EDA industry revenue data quarterly and is available by annual subscription. Each quarterly report is published approximately three months after quarter close. MSS report data is segmented as follows: revenue type (product and maintenance revenue, consulting and design services revenue, and other service revenue), application (CAE, PCB/MCM Layout, IC Layout, SIP), operating system (UNIX vs. Windows) and region (North America, Western Europe, Japan and Rest of World), with many sub-categories of detail provided. The report also tracks total employment of reporting companies.

About EDA Consortium

Where Electronics Begins™ best describes the Electronics Design Automation (EDA) Industry.

The EDA Consortium represents this vital industry on a worldwide scale. It is the international association of companies developing design tools and services that enable engineers to create the world's electronic products. EDA provides the critical technology to design electronics that enable the Information Age, including: communications, computers, space technology, medical and industrial equipment and consumer electronics. As stated recently by the Nobel Prize Committee, "The integrated circuit is the basis for all modern technology. "

For more information about EDA Consortium, or to subscribe to the Market Statistics Service, contact EDA Consortium, 111 West Saint John Street, Suite 220, San Jose, Calif. 95113, USA, office 408-287-3322, fax 408-283-5283, or visit www.edac.org.

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