

# **EDA Consortium CEO Forecast Panel**

**February 18, 2010**

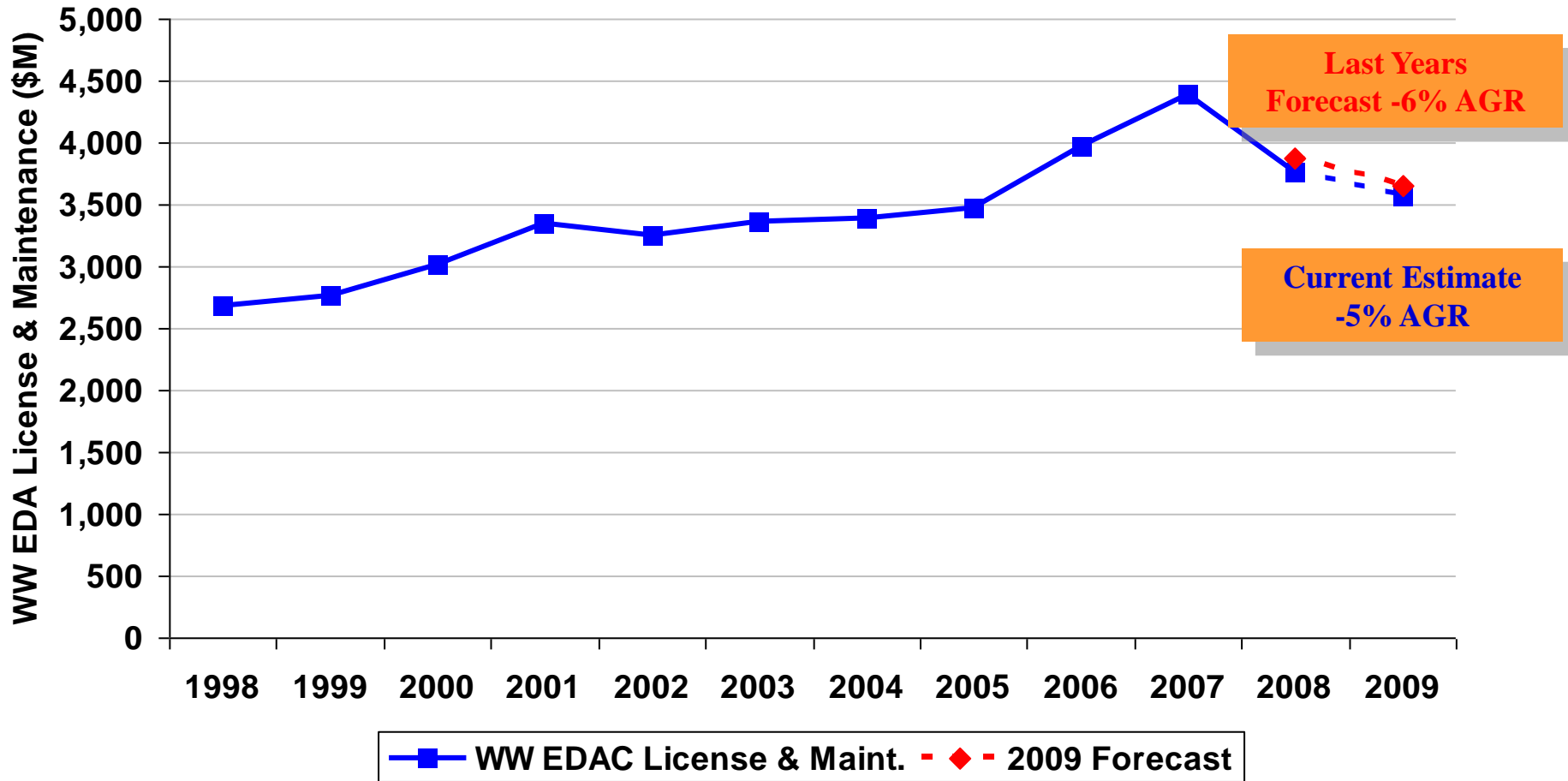
**Walden C. Rhines**  
**CHAIRMAN & CEO**

**Mentor  
Graphics®**

# Impact of the 2009 Worldwide Recession on the EDA Industry?



# Last Year's Forecast for 2009

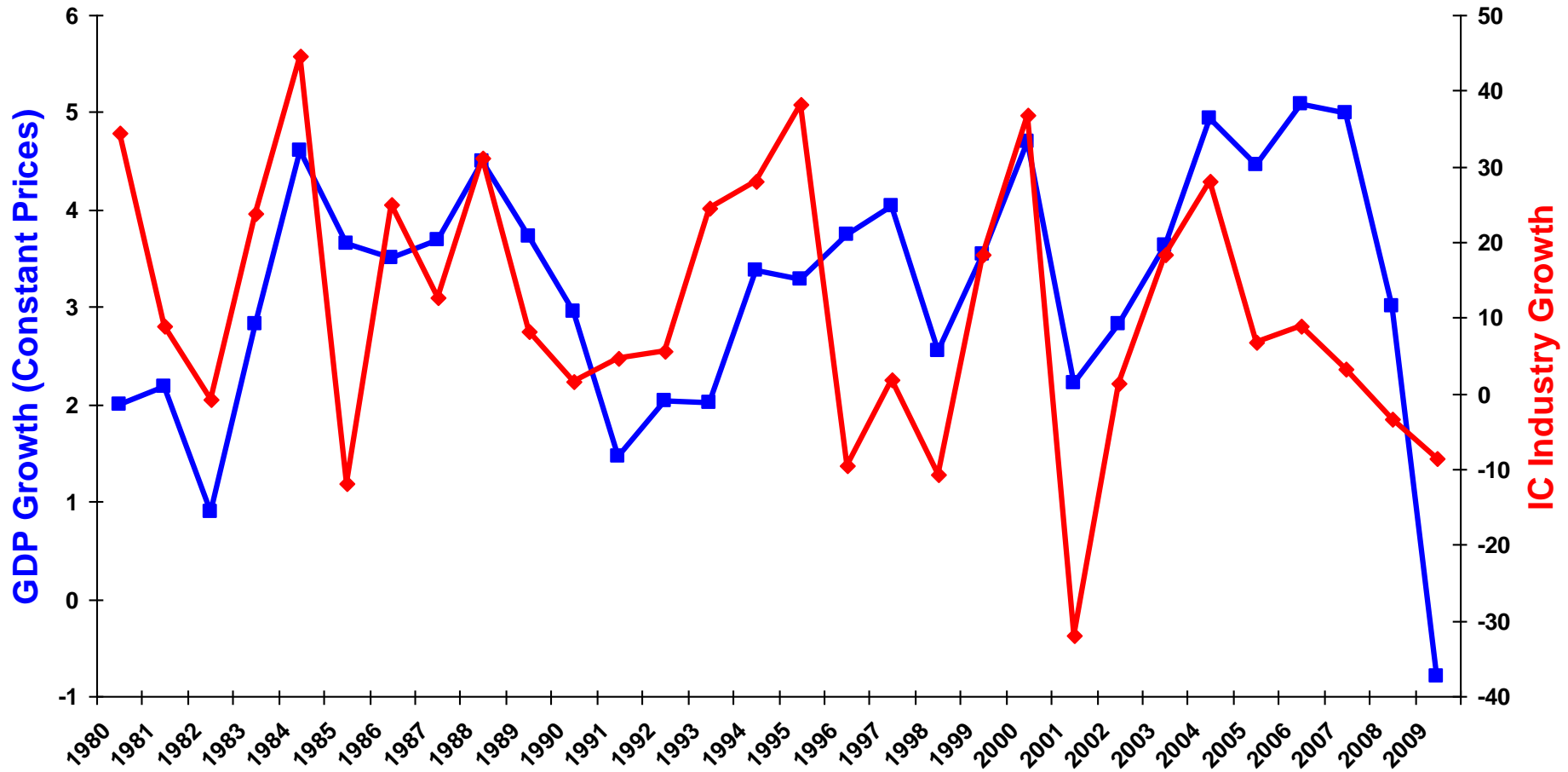


Source: EDAC Market Statistics, Financial Analyst Consensus for Companies not yet reporting & MGC analysis

# Last Year's Summary Slide

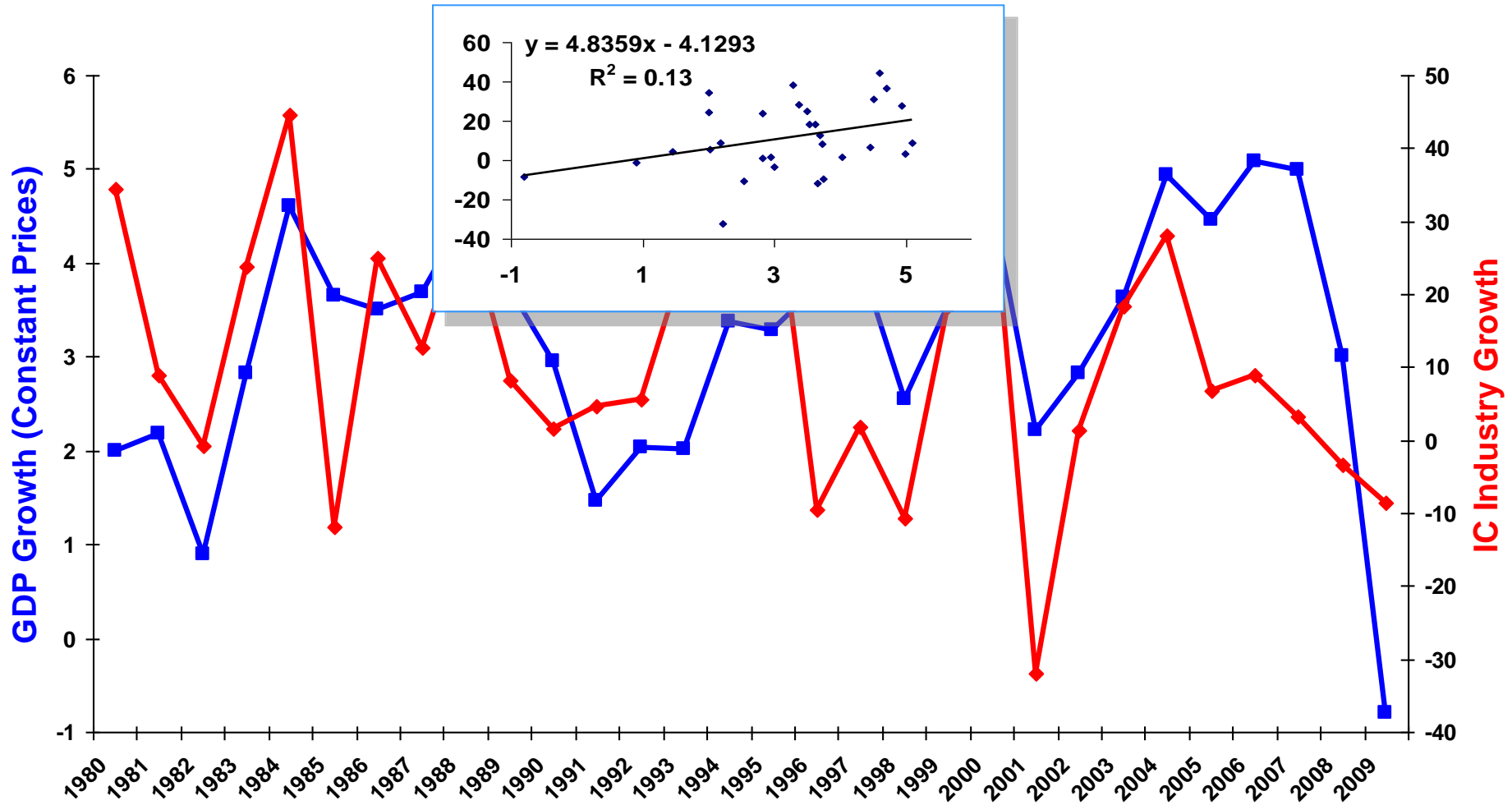
- **2008 will be the first year in history that the “intrinsic” growth of the EDA industry has been negative (i.e. -1%)**
- **Most likely EDA market growth in 2009 is -6%, including an 8 pt negative impact of revenue recognition policy change**
- **Because electronics companies must continuously develop new products, negative impact of the semiconductor recession on EDA will be modest**

# World Economy vs. IC Chip Industry



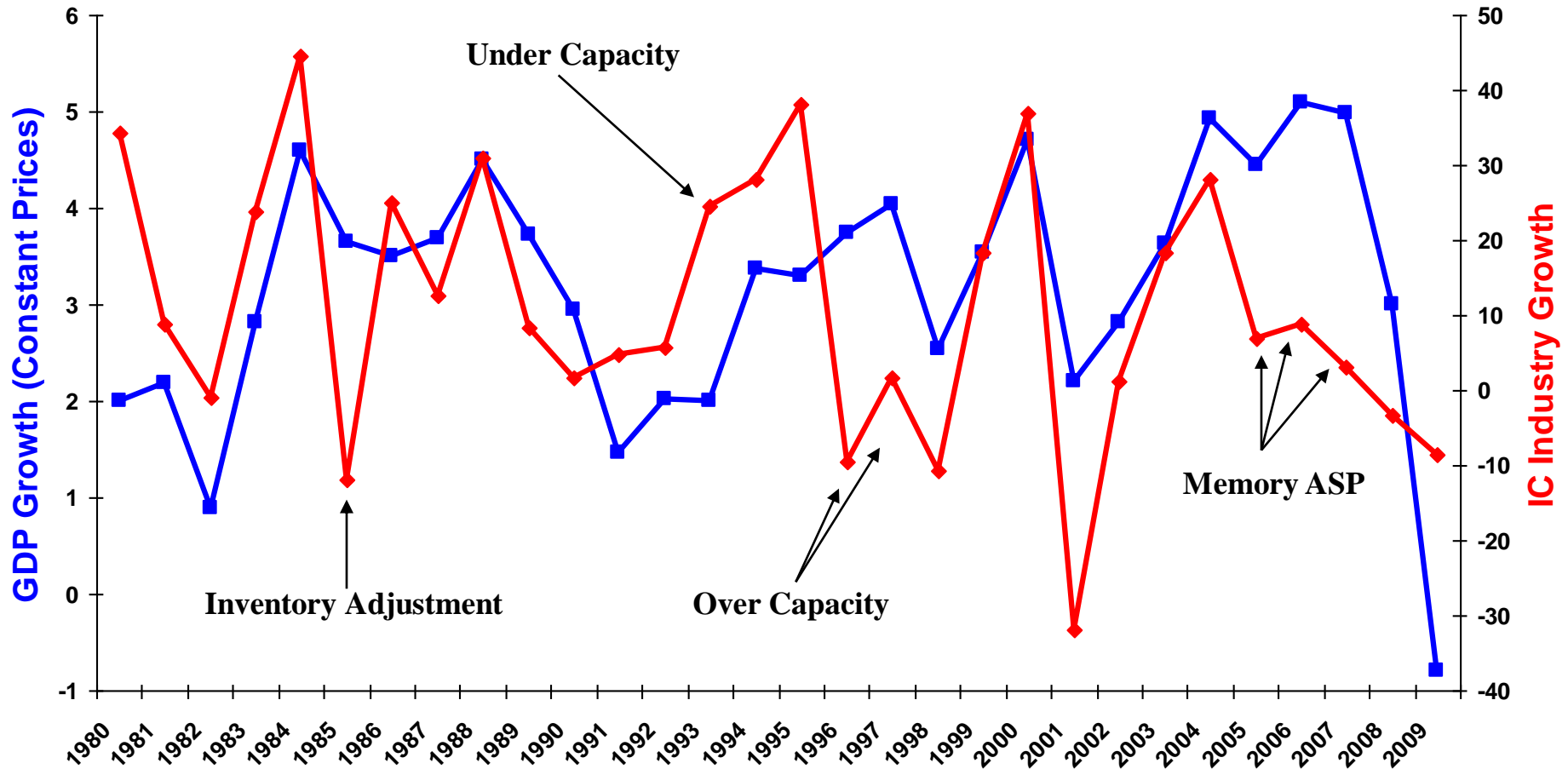
Source: Mentor Graphics, IMF World Economic Outlook Database Update, 1/26/2010, VLSI Research & IC Insights

# World Economy vs. IC Chip Industry



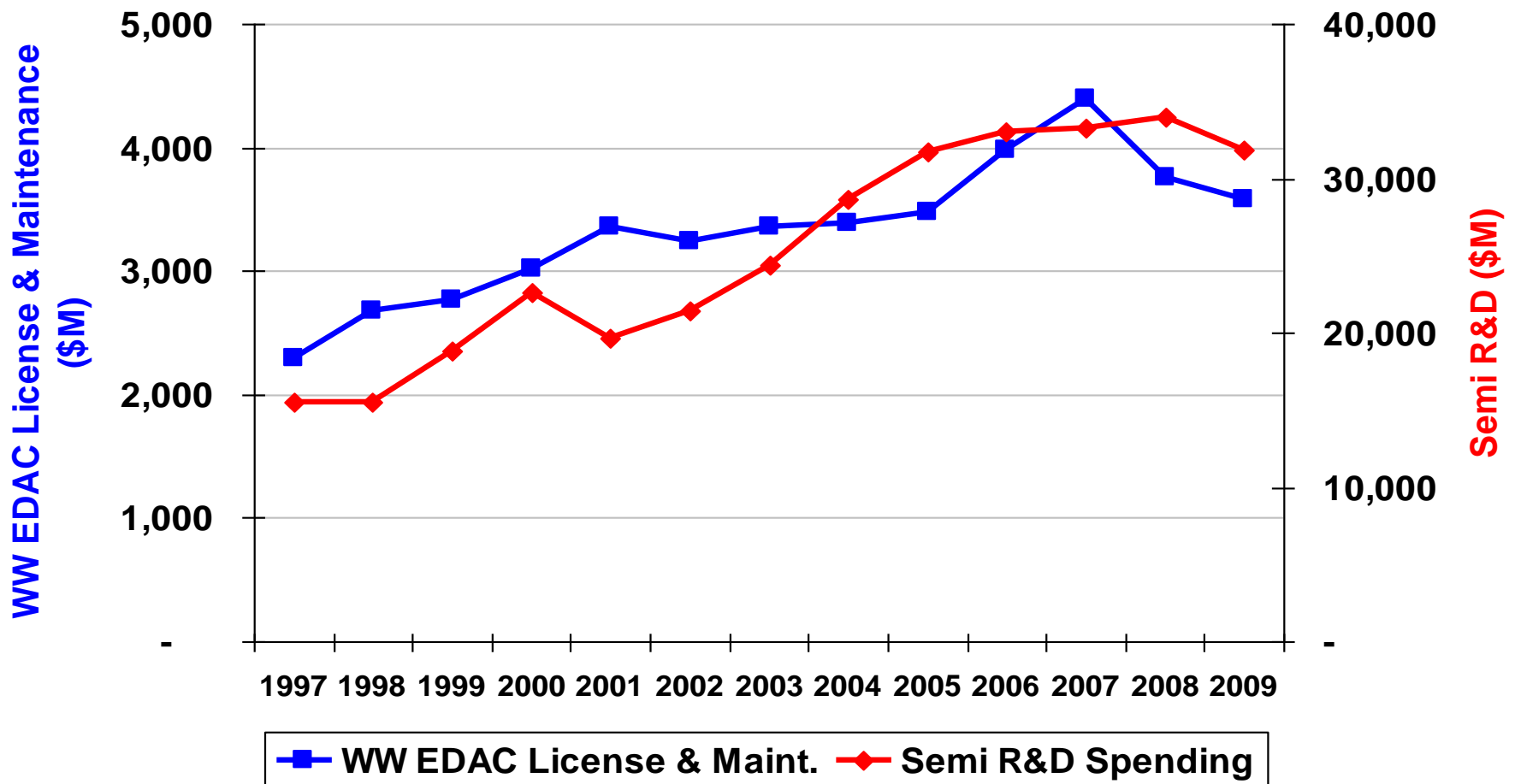
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# World Economy vs. IC Chip Industry



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# Worldwide EDA License & Maintenance vs. Semiconductor R&D Spending

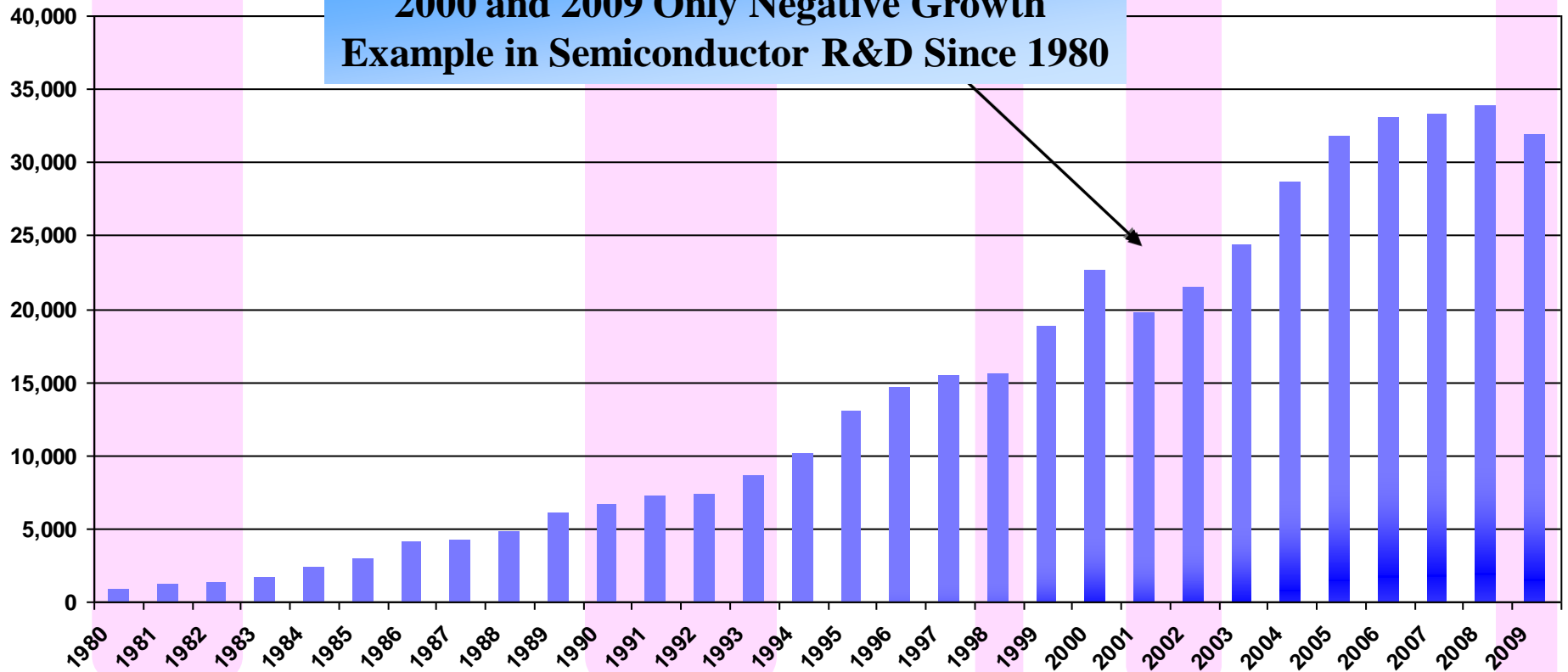


Sources: EDA revenue from EDAC Market Statistics & Semi R&D from VLSI Research; Mentor Graphics Analysis

# Worldwide Semiconductor R&D History

International Monetary Fund Defined Global Recessions  
(GDP Growth Lower Than 3%)

2000 and 2009 Only Negative Growth  
Example in Semiconductor R&D Since 1980



Source: IMF & VLSI Research, Mentor Graphics Analysis

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