Synopsys Broadens DFM and TCAD Portfolio With Acquisition of SIGMA-C Software AG

Acquisition Will Enable Tighter Integration With DFM and Manufacturing Tools to Optimize Yield and Increase Predictability

Synopsys, Inc. (NASDAQ: SNPS), a world leader in semiconductor design software, today announced that it has completed the acquisition of SIGMA-C™ Software AG (SIGMA-C), a Munich-based company providing simulation software that allows semiconductor manufacturers and their suppliers to develop and optimize process sequences for optical lithography, e-beam lithography and next- generation lithography (NGL) technologies. The acquisition will enable a tighter integration between design and manufacturing tools, allowing Synopsys customers to perform more accurate design layout analysis with 3D lithography simulation and understand yield issues for effective DFM implementation. As a result, Synopsys customers will benefit from reduced chip re-spins and increased product yields. Synopsys acquired SIGMA-C in an all-cash transaction for $20.5 million.

"By more tightly integrating design and manufacturing, Synopsys helps design and manufacturing engineers reduce risks associated with complex chip implementation," said Dr. Raul Camposano, senior vice president and CTO of Synopsys. "The acquisition of SIGMA-C reinforces Synopsys' commitment to improving customers' yield by providing yet another critical link in the design-to-manufacturing process. For customers, the benefits are more accurate, predictive modeling capabilities, leading to lower development costs and increased yield."

SIGMA-C products are a perfect complement to Synopsys' DFM and TCAD solutions with SOLID+ providing analysis of variability within the lithography process on design layout in the DFM flow, and SOLID E™ providing accurate lithography models for optimizing the lithography process. SOLID+ and SOLID E share a central database of lithography models to help ensure high accuracy and consistency of simulation results between design and manufacturing.

"At 65 nanometers and below, lithography is a key process step to define critical patterns and control yield variations. Combining SIGMA-C's lithography modeling expertise with Synopsys' best-of-breed EDA, TCAD and DFM solutions is a logical next step in addressing the challenges at advanced technology nodes," said Dr. Christian K. Kalus, founder, president and CTO of Sigma-C. "This acquisition signifies a major step towards providing integrated simulation and DFM solutions to our mutual customers. We are excited to be part of Synopsys."

SOLID+ uses advanced simulation methods to identify and analyze lithography problems such as "hot spots" early in the design process. Its enhanced algorithms allow rapid simulation of large areas of a layout on the cell level with no compromise of accuracy. Particularly when combined with a lithography compliance checker such as Synopsys' PrimeYield LCC, SOLID+ can provide an excellent means to study the impact of lithography variability by determining the process window that conforms to a given set of design rules. The result is improved accuracy and more predictable manufacturing processes, leading to increased yield. SOLID E provides full-scale, three-dimensional simulation of the photolithographic process steps involved in semiconductor manufacturing. The combination of SOLID E and Synopsys' Sentaurus (TCAD) will allow customers to optimize their entire wafer process cycle, thereby reducing the need to run experimental wafers.

About Synopsys

Synopsys, Inc. is a world leader in EDA software for semiconductor design. The company delivers technology-leading semiconductor design and verification platforms and IC manufacturing software products to the global electronics market, enabling the development and production of complex systems-on-chips (SoCs). Synopsys also provides intellectual property and design services to simplify the design process and accelerate time-to-market for its customers. Synopsys is headquartered in Mountain View, California and has offices in more than 60 locations throughout North America, Europe, Japan and Asia. Visit Synopsys online at http:/www.synopsys.com .

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, including statements regarding the expected benefits of Synopsys' acquisition of SIGMA-C Software AG. These statements are based on Synopsys' current expectations and beliefs. Actual results could differ materially from these statements as a result of unforeseen difficulties in integrating SIGMA- C's solutions into Synopsys' product portfolio, issues relating to specific customer designs and certain statements contained in the section of Synopsys' Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2006 entitled "Factors That May Affect Future Results."

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