EDA Consortium Reports 15 Percent Industry Revenue Growth for 2006

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SAN JOSE, Calif., April 9 /PRNewswire/ -- The EDA Consortium's Market Statistics Service (MSS) today announced that the electronic design automation (EDA) industry revenue for Q4 of 2006 was $1,493 million, a 19 percent increase over Q4 2005. For the full year 2006, revenue totaled a record $5,274 million, which was 15 percent more than the $4,575 million recorded in 2005. This increase reflects both the continuing growth of the industry as a whole and the growth of the MSS program, which enjoyed a net increase in the number of participating companies compared to the previous year.

"Steady growth in consumer electronics and migration to deeper sub-micron processes are fueling the demand for solutions across all segments and regions of the EDA industry," said Aart de Geus, chairman of the EDA Consortium and chairman and CEO of Synopsys, Inc. "This is reflected in the revenue gains for 2006."

Total EDA and SIP (semiconductor intellectual property) Product and Maintenance revenue (excluding services) increased 20 percent over Q4 2005 and posted a record high quarter of $1,416 million revenue in Q4 2006.

Companies tracked in the MSS employed 25,390 professionals in Q4 2006, 10 percent more than Q4 2005.

"Worldwide revenue is double digit, fueled by nearly all regions. North American EDA revenue is especially strong, fueled both by longstanding EDA categories, and particularly by SIP." said Robert Gardner, executive director, EDA Consortium. "We are optimistic that these growth trends will continue."

Revenue by Product Category

EDA's largest tool category, Computer-Aided Engineering (CAE), generated revenue of $634 million in Q4 2006, 17 percent more than the same period in 2005. CAE revenue was at, $2,190 million for all of 2006, up 14 percent compared to 2005.

IC Physical Design & Verification increased 11 percent to $385 million in Q4 2006 over the same quarter in 2005. For the full year 2006, IC Physical Design & Verification revenue totaled $1,396 million, a 16 percent increase over 2005.

The EDA industry's SIP revenue totaled $274 million in Q4 2006, 31 percent greater than Q4 2005. For 2006, SIP revenue increased by 21 percent to $ 989 million versus $817 million in 2005. To more completely represent SIP, the market statistics service was expanded beginning in 2005 to include SIP revenue data from publicly available sources. Past quarters were updated in the report so that annual and quarterly comparisons include the publicly available data.

Revenue for Printed Circuit Board (PCB) and Multi-Chip Module (MCM) Layout totaled $123 million in Q4 2006, a 41 percent increase over $87 in Q4 2005. PCB and MCM Layout revenue totaled $391 million for all of 2006, up 14 percent compared to 2005.

EDA Services revenue was $77 million in Q4 2006, up 12 percent from Q4 2005. Services revenue totaled $308 million in 2006, up 9 percent compared to 2005.

Revenue by Consuming Region

North America, EDA's largest customer base with 53 percent global share, purchased $788 million of EDA and SIP products and services in Q4 2006, a 39 percent increase over Q4 2005. For all of 2006, North American revenue was $ 2,589, an increase of 22 percent compared to 2005.

In Q4 2006, Western Europe revenue increased by 6 percent from Q4 2005 to $287 million. For the full year 2006, revenue from Western Europe was $ 977 million, an increase of 12 percent over 2005. Western Europe had a 19 percent share of global revenue in 2006.

In Q4, revenue from Japan decreased 10 percent to $230 million. Japan revenue increased slightly by 3 percent to $1,051 million in 2006. EDA sales in Japan constituted 15 percent of the global total in 2006.

Rest-of-world (ROW) growth increased 19 percent in Q4 2006, to $188 million. Revenue from ROW grew at a rate second only to North America in 2006, increasing 19 percent for the year to $657 million. ROW is 13 percent of global 2006 revenue.

About the MSS Report

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

About the EDA Consortium

The EDA Consortium is the international association of companies that provide tools and services that enable engineers to create the world's electronic products. EDA is the critical technology used to design electronics for the communications, computer, space technology, medical and industrial equipment and consumer electronics markets among others.

For more information about the 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, email mss@edac.org, or visit http://www.edac.org/.

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