TECHNOLOGY IN OUR LIVES

Inside Electronics: New Chips On The Block

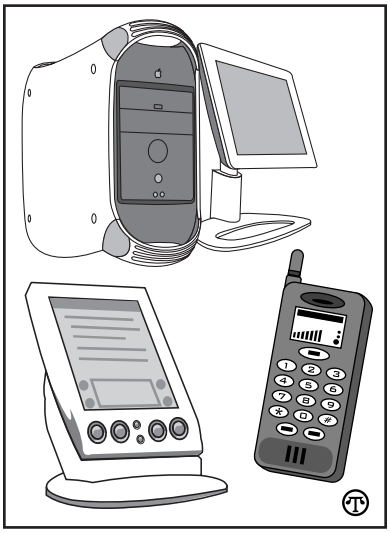
(NAPSA)—From the world's fastest super computers to cellular phones to pacemakers, computer chip technology is becoming an increasingly important part of modern life—making electronic devices faster, more efficient and more capable of performing the functions we need.

The electronics industry is huge, but it is fundamentally dependent on electronic design as the driving force behind innovation. Today, nearly everything made by the electronics industry results from the use of electronic design automation (EDA) tools. These tools propel such ongoing technological advances as extended battery life; smaller, less-expensive devices; and increased performance, speed and reliability.

Because of the ever-growing demand for microchips that are smaller (with individual components measuring just 1/1000 the size of a human hair), faster and more versatile, the EDA industry continues to experience steady growth, in contrast to the peaks and valleys seen recently by semiconductor companies and other aspects of the high-tech market.

One chip may have millions of individual transistors. If just one error occurs, companies can lose millions of dollars or be edged completely out of a market. So whether chip volumes go up or down, innovation is always ongoing, and the need for tools that can accurately design and test remains crucial. For this reason, many financial analysts see EDA companies as a strong investment opportunity. Consumers are always on the lookout for the next electronic convenience, and such developments are generally spurred by the makers of microchips.

"Twenty years ago, our customers were designing chips for the first generation of Walkman portable stereos," says Walden C. Rhines, CEO and chairman of Mentor Graphics Corporation, one of the world's leading EDA companies. "Today, engineers use our latest tools to design products such as ultra-fast microprocessors, or to deliver the chips for the next generation of cellular phones."



For every new cell phone feature, there's a more sophisticated semiconductor chip, developed with tools from the EDA industry.

Mentor Graphics offers electronic hardware and software design solutions, providing products and consulting services for the world's most successful electronics and semiconductor companies. Celebrating its 20th anniversary, the company now has approximately 2,850 employees and reported annual revenues of more than $600 million. The company also has numerous philanthropic programs, with a strong commitment to education and child development.

To learn more, visit the Web site at www.mentor.com.