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**Mentor Graphics Partners With Innovative Semiconductors, Inc.
*Innovative's IEEE-1394 FlexFire Link and Physical Layer Cores Expand the
Mentor Graphics IP Portfolio***

SAN JOSE, Calif., June 2, 1999 – Mentor Graphics Corporation (NASDAQ:MENT) today announced it has partnered with Innovative Semiconductors, Incorporated for their FlexFire™ IEEE-1394 (known as FireWire) Link and Physical Layer cores. Adding Innovative's 1394 FlexFire cores to the Mentor Graphics expansive Inventra™ portfolio of USB, PCI, DSP, Ethernet and Microcontroller/Microprocessor cores provides a rich offering for designers of networking, multimedia and computer products and peripherals. Designed for use in computer and peripheral products, FireWire cores deliver a scaleable and cost effective architecture for designing next generation multimedia PC systems and peripherals requiring high-speed, data-intensive methodologies for interconnecting digital devices.

“Mentor Graphics chose Innovative Semiconductors, Inc.’s FlexFire Link Layer and Physical Layer cores because of their complete, silicon-proven technology,” said Mick O’Brien, General Manager, IP and Physical Libraries Divisions, Mentor Graphics Corporation. “Adding their leading-edge IP to the Inventra portfolio is a strategic complement to our offerings, and enables us to provide a comprehensive solution for designers building next generation multimedia PC systems and peripherals.”

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“The decision to partner with Mentor Graphics in the proliferation of our 1394 FlexFire technology was simple,” said Nabil Takla, president of Innovative Semiconductors. “Mentor Graphics offers the broadest IP portfolio, and with their worldwide distribution channel, support organization and their expertise in certifying and productizing IP for reusability, they were the logical choice as a licensing partner.

”Consumer product support of FireWire technology is growing due to its rapid data transfer capacity and broad networking potential. Major manufacturers of computer equipment, peripheral and multimedia devices have adopted FireWire technology for the development of products such as digital camcorders, DVDs, home audio equipment, set-top boxes, printers and scanners. “There is increasing pull from the computer and consumer product markets for IEEE-1394 compliant devices”, said Mark Kirstein, Vice President of research for Cahners In-Stat Group. “Key IP building blocks, such as the Mentor Graphics Inventra IP portfolio and Innovative’s FlexFire cores, enable semiconductor and system companies to get out in front of the curve and quickly provide solutions to an early but promising market. In 1998 one percent of computer, peripheral and consumer devices were IEEE-1394 compliant, by the year 2001, In-Stat expects that figure to reach 18 percent, exceeding 150 million units.”

Demonstrating this trend, Oki Semiconductor of Sunnyvale, California combined their own ASIC technology with the 1394 FlexFire cores, expanding their system-on-chip design solution and providing their customers with innovative and cost-effective serial bus interface products for printers and scanners. “The FlexFire Link core’s superior technology delivered the functionality richness and capacity that we had expected from the technology we build into our products,” said Jamshed Qamar, Vice President of Oki’s Application Specific Business Unit. “Employing these soft cores simplified our design process by an order of magnitude resulting in the time-to-market performance that our customers demand.”

Mentor Graphics and Innovative Semiconductors have launched their partnership by offering four 1394 FlexFire Link Layer and Physical Layer cores through the Mentor Graphics IP Division. The products include:

- SL730 400Mbps mixed signal Cable PHY core
- SL738 Back Plane PHY core
- SL755 Base Line Full Link Layer Controller core
- SL770 A/V Link Layer Controller

The cores are available in synthesizable RTL and include a comprehensive test bench, validation suite, synthesis scripts and user documentation.

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About FireWire

IEEE-1394, often referred to as FireWire, is a universal I/O connection technology with a highly scalable architecture and flexible peer-to-peer topology that make it ideal for connecting computers and hard drives to audio and video hardware devices. Isochronous data transport enables low-cost implementation of multimedia interfaces where time is critical. FireWire features include hot-swapping capabilities, simplified cabling, and transfer speeds up to 400 megabits per second.

About Innovative Semiconductors

Established in 1992, Innovative Semiconductors, Inc. develops Intellectual Property (IP) cores, the building blocks for developing high-performance ICs and chip sets for video and communications applications. The company's products include cores that support the IEEE-1394 standard, Video Interface Port (VIP) standard, the Universal Serial Bus (USB) standard and the Video Compression standards. The company's customers include 3Dfx, Honeywell, IBM, LSI Logic, Micron Technology, Nvidia, Oki, S3, STMicroelectronics, Samsung, and Trident. The company is a member of the 1394 Trade Association, VESA, VSI and Rapid. Innovative Semiconductors is located at 465 Fairchild Drive, Suite 227, Mountain View, CA 94043. Phone: (650) 934-0170, e-mail: info@isi96.com. For more information about Innovative Semiconductors, Inc., please access the company's website at <http://www.isi96.com>.

About Mentor Graphics

Mentor Graphics Corporation (NASDAQ: MENT) is a world leader in electronic hardware and software design solutions, providing products and consulting services for the world's largest electronics and semiconductor companies. Established in 1981, the company reported revenues over the last 12 months of over \$500 million and employs approximately 2,600 people worldwide. Company headquarters are located at 8005 S.W. Boeckman Road, Wilsonville, Oregon 97070-7777. World Wide Web site: <http://www.mentor.com>.

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