

News Release

Magma Partners with Inovys and Source III to Ensure Interoperability of Talus ATPG and Leading Testers

- *Inovys Ocelot and Talus ATPG to reduce development and test costs*
- *Source III and Magma to offer a direct path from Talus ATPG to a variety of test programs*

SAN JOSE, Calif., Oct. 15, 2007 – Magma Design Automation Inc. (Nasdaq: LAVA), a provider of chip design software, today announced it has partnered with Inovys Corporation to ensure interoperability of Talus® ATPG and Talus ATPG-X with the Ocelot tester. Magma has also collaborated with Source III to offer a direct path from Talus ATPG and Talus ATPG-X to variety of a test programs. Magma and its partners are also developing validated feedback paths from testers to the diagnostic capability in Talus ATPG that will allow designers to further analyze the causes of device failure. With a foundation in the IEEE 1450 Standard Test Interface Language (STIL) and through its collaboration with Inovys and Source III, Magma is working to improve test quality, streamline the test flow and reduce test costs.

“For over 20 years Source III has been developing CAE tools that aid designers in the data-intensive aspects of design, simulation and test,” said John Cosley, chief executive officer of Source III. “We’re pleased to further our efforts by working with Magma to offer a direct path from Talus ATPG to test programs for a wide variety of automatic test equipment (ATE).”

“Recognizing that test is more than patterns generated by EDA tools, Magma continues to broaden its product portfolio to better address the design and test challenges of nanometer ICs,” said Kam Kittrell, general manager of Magma’s Design Implementation Business Unit. “We are also committed to partnering with other test technology leaders. Delivering interoperability with leading test providers’ products is a significant milestone in Magma’s DFT product roadmap and ensures that our products work with our mutual customers’ test equipment.”

Magma Highlights Talus ATPG and Inovys Ocelot Interoperability at ITC

Magma will be highlighting Talus ATPG and Talus ATPG-X at the International Test Conference Oct. 23-25 in Santa Clara. Demonstrations of the new products as well as the interoperability with the Inovys Ocelot test systems will be available in booth 320.

“Inovys is pleased to be working with the top EDA providers to provide a seamless path between design and test that enables semiconductor companies to reduce design debug from weeks to hours and accelerate time to production with unique failure analysis tools,” said Colin Ritchie, vice president of Marketing, Inovys Corporation. “Ensuring interoperability of Talus ATPG with our family of Ocelot

test systems enables our mutual customers to further reduce the development and test costs of their advanced ICs.”

Magma is also sponsoring a luncheon at ITC, Oct. 23 at 11 a.m. featuring Dr. Mohammad Tehranipoor, assistant professor in the Electrical and Computer Engineering Department at the University of Connecticut. Dr. Tehranipoor will discuss the need to bring layout, timing and variation information into DFT/ATPG. To register for this event, please visit www.magma-da.com/ITC

About Magma

Magma's software for designing integrated circuits (ICs) is used to create complex, high-performance chips required in cellular telephones, electronic games, WiFi, MP3 players, DVD/digital video, networking, automotive electronics and other electronic applications. Magma's EDA software for IC implementation, analysis, physical verification, circuit simulation and characterization is recognized as embodying the best in semiconductor technology, enabling the world's top chip companies to "Design Ahead of the Curve"™ while reducing design time and costs. Magma is headquartered in San Jose, Calif., with offices around the world. Magma's stock trades on Nasdaq under the ticker symbol LAVA. Visit Magma Design Automation on the Web at www.magma-da.com.

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Forward-looking Statements:

Except for the historical information contained herein, the matters set forth in this press release, including statements that Magma, Inovys and Source III products improve test quality, streamline the test flow and reduce test costs about the features and benefits of companies' products are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially including but not limited to the ability of Magma's, Inovys' and Source III's products to produce the desired results and the companies' abilities to keep pace with rapidly changing technology. Further discussion of these and other potential risk factors may be found in Magma's public filings with the Securities and Exchange Commission (www.sec.gov). The companies undertake no additional obligation to update these forward-looking statements.

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