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RELEASE DATE: April 14, 1999

**ALTERA REPORTS RECORD FIRST QUARTER '99 RESULTS
SALES INCREASE 8% SEQUENTIALLY
NET INCOME UP 11% SEQUENTIALLY**

San Jose, Calif., April 14, 1999 - Altera Corporation (Nasdaq: ALTR) today reported record first quarter sales of \$186.4 million, up 8% from the previous quarter and up 19% over the same period last year. First quarter sales growth of 8% was achieved by double digit sequential gains in North America; up 13%, Japan; up 14% and Asia/Pacific; up 17%. Europe declined by 10%. New and mainstream products made up 59% of sales for the quarter. New product revenues were 22% of sales and grew 34% sequentially and 350% over the same period last year. Mainstream product revenues were 37% of sales and grew 4% sequentially and 62% over the first quarter of last year. Mature product sales showed a sequential decline of one percent.

First quarter net income of \$47.0 million was a record and represented an increase of 11% from the previous quarter and an increase of 34% from the first quarter of 1998. First quarter earnings per share, on a diluted basis, were \$0.46, an increase of \$0.04 from the prior quarter and up \$0.09 over the same period last year. First quarter earnings included a \$1.2 million charge to other income attributed to the Company's write-off of an investment. During the quarter, the Company invested \$37.5 million to increase its ownership position in WaferTech (a joint venture with TSMC to manufacture wafers in a state-of-the-art facility in Camas, Washington) by five percent, bringing Altera's total equity position in WaferTech to 23 percent. First quarter earnings included after-tax charges of \$2.0 million or \$0.02 per share representing the Company's share in the start-up losses of WaferTech. Excluding WaferTech results, diluted earnings per share for the first quarter were \$0.48.

Altera added \$11.8 million of cash to its balance sheet during the quarter, after the repurchase of 260,000 shares of its common stock for \$12.8 million, the increase of its equity position in WaferTech for \$37.5 million, and routine capital expenditures of \$5.7 million.

(more)

First quarter highlights:

- The rollout of Altera's new APEX™ family of devices began with shipments of the first family member, the EP20K400. The revolutionary APEX MultiCore™ architecture, featuring the unique Embedded System Block (ESB), combines look-up table logic, product-term logic and a variety of advanced embedded memory structures and I/O interfaces on a single piece of silicon for System-on-a-Programmable-Chip™ applications. The EP20K400 features 400,000 usable gates (1 million maximum system gates) and provides 16,640 logic elements, 212,992 bits of embedded memory, and up to 1,664 product-term macrocells. The Company plans to introduce six APEX family members during the year with densities ranging from 100,000 to 1 million usable gates (4,160 to 42,240 logic elements).
- With the introduction of APEX, Altera started customer deliveries of Quartus™, its fourth generation design software platform. In a series of technical seminars that Altera hosted worldwide, over 2700 design engineers were introduced to the powerful capabilities that Quartus design software and the APEX family bring to high-density design. The Quartus software is a totally new design platform and has been specifically developed to address the System-on-a-Programmable-Chip designs that are possible with the APEX family of devices.
- Altera continued the rollout of the 2.5-volt FLEX™ 10KE family with the introduction of the EPF10K100E, manufactured on an advanced 0.22-micron, five-layer-metal process. The EPF10K100E with 100,000 usable gates and 49,152 bits of on-chip dual-port RAM addresses the density “sweet spot” of many gate array designs. The Company plans to complete the five member FLEX 10KE family rollout next quarter. The FLEX 10KE family of devices is fully compliant with 64-bit, 66 MHz PCI specifications and provides densities ranging from 30,000 to 200,000 usable gates (1,728 to 9,984 logic elements)
- Altera and Synopsys Inc. (NASDAQ:SNPS) put in place an exclusive arrangement where Synopsys will provide free of charge FPGA Compiler™ II – Altera Edition to all of its Design Compiler customers. FPGA Compiler II – Altera Edition utilizes the advanced programmable logic synthesis algorithms of Synopsys' FPGA *Express* and FPGA Compiler II to support Altera's FLEX 10K, FLEX 6000 and APEX programmable logic devices within the Design Compiler flow. This enables ASIC designers to easily target Altera's FLEX and APEX devices and obtain optimum speed and area results without modifications to their ASIC design files.

Rodney Smith, President and CEO, stated, “We are very pleased with the record performance achieved in the quarter, with growth exceeding our expectations due directly to the market success of our new FLEX and MAX™ products. Moreover, APEX and Quartus are the most significant new product introductions in Altera's history. These products provide Altera customers with true System-on-a-Programmable-Chip capabilities and their introduction represents a significant milestone in Altera's pursuit of greater share in the ASIC market.”

This press release contains “forward looking statements” which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward looking statements are generally written in the future tense and/or are preceded by words such as “expects”, “believes”, “offers”, “anticipates”, “projects”, “provides”, “plans” “addresses” or “intends”. Investors are cautioned that all forward looking statements in this release involve risks and uncertainty, including without limitation the risk that future performance is dependent on FLEX 10KE and APEX 20K product development, Quartus and FPGA Compiler II – Altera Edition software development, market acceptance of the Company’s new products, market growth in 1999, development of technology and manufacturing capabilities, and third-party wafer suppliers meeting the Company’s wafer requirements. Please refer to the Company’s Securities and Exchange Commission filings, copies of which are available from the Company without charge, for further information.

Fax on Demand:

Copies of Altera’s announcement are available from its fax-on-demand service. In the U.S. and Canada to request a copy call 1-800-789-ALTR. International users can dial their local International Access Code followed by 1-408-894-0466.

Altera Corporation, The Programmable Solutions Company™, was founded in 1983 and is a leading supplier of programmable logic devices and associated logic development software tools. Programmable logic devices are semiconductor chips that can be programmed on-site, using software tools that run on personal computers or engineering workstations. User benefits include ease of use, lower risk, and fast time-to-market. Altera’s CMOS-based programmable logic devices address high-speed, high-density and low-power applications in the telecommunications, data communications, computer peripheral, and industrial markets. Altera common stock is traded on the Nasdaq Stock Market under the symbol ALTR. More information on Altera can be obtained on the Internet at <http://www.altera.com>.

ALTERA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	THREE MONTHS ENDED		
	Mar. 31 1999	Mar. 31 1998	Dec. 31 1998
Net sales	\$ 186,399	\$ 157,216	\$ 172,432
Costs & expenses:			
Cost of sales	69,154	60,090	65,182
Research and development	17,023	14,407	16,001
Selling, general and administrative	32,320	28,138	29,309
Total costs and expenses	118,497	102,635	110,492
Income from operations	67,902	54,581	61,940
Interest & other income, net	4,618	152	5,458
Income before income taxes and equity investment	72,520	54,733	67,398
Provision for income taxes	23,569	17,787	21,905
Income before equity investment	48,951	36,946	45,493
Equity in loss of WaferTech	(1,976)	(1,811)	(3,000)
Net income	\$ 46,975	\$ 35,135	\$ 42,493
Basic earnings per share:			
Net income	\$ 0.48	\$ 0.40	\$ 0.44
Diluted earnings per share:			
Income before equity investment	\$ 0.48	\$ 0.38	\$ 0.45
Net income	\$ 0.46	\$ 0.37	\$ 0.42
Shares used in computation:			
Basic	97,933	88,885	97,414
Diluted	102,687	101,961	101,899
Tax rate	32.5%	32.5%	32.5%
% of Sales:			
Gross margin	63%	62%	62%
Research and development	9%	9%	9%
Selling, general & administrative	18%	18%	17%
Income from operations	36%	35%	36%
Net income	25%	22%	25%

ALTERA CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	<u>Mar. 31</u> <u>1999</u>	<u>Dec. 31</u> <u>1998</u>
Assets		
Current assets:		
Cash and short-term investments	\$ 590,895	\$ 579,106
Accounts receivable, net	52,167	56,138
Inventories	74,530	69,869
Other assets	92,183	94,420
Total current assets	<u>809,775</u>	<u>799,533</u>
Property and equipment, net	151,732	152,320
Investments & intangibles	172,251	141,478
	<u>\$ 1,133,758</u>	<u>\$ 1,093,331</u>

Liabilities and Stockholders' Equity

Accounts payable and current liabilities	\$ 52,656	\$ 50,450
Deferred income on sales to distributors	145,620	161,160
Total current liabilities	<u>198,276</u>	<u>211,610</u>
Stockholders' equity	935,482	881,721
	<u>\$ 1,133,758</u>	<u>\$ 1,093,331</u>

Key Ratios & Information

Current Assets/Current Liabilities	4:1	4:1
Liabilities/Equity	1:5	1:4
Annualized Quarterly Return on Equity	21%	20%
Quarterly Depreciation Expense	6,250	6,249
Quarterly Capital Expenditures	5,663	5,587
Annualized Sales per Employee	632	605

Altera Corporate Profile

Revenue by Market Segment

	<u>Q3'98</u>	<u>Q4'98</u>	<u>Q1'99</u>	
Communications	65%	67%	64%	<ul style="list-style-type: none"> • Serve over 14,000 customers • Three distributors in North America - 85 branch locations • 44% of sales in export markets • Distributors in all European countries And major Asian markets
EDP	16%	15%	18%	
Industrial	12%	12%	11%	
Consumer	3%	3%	3%	
Other	4%	3%	4%	

Revenue: Product Family

	<u>Q3'98</u>	<u>Q4'98</u>	<u>Q1'99</u>
New	15%	18%	22%
Mainstream	36%	39%	37%
Mature	41%	35%	32%
Other	<u>8%</u>	<u>8%</u>	<u>9%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Channel

	<u>Q3'98</u>	<u>Q4'98</u>	<u>Q1'99</u>
North America	<u>55%</u>	<u>54%</u>	<u>56%</u>
Europe	23%	23%	20%
Japan	18%	18%	19%
Asia/Pacific	<u>4%</u>	<u>5%</u>	<u>5%</u>
International	<u>45%</u>	<u>46%</u>	<u>44%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Financial Highlights: (In thousands)

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>Q1 1999</u>
Net sales	\$401,598	\$497,306	\$631,114	\$654,342	\$186,399
Income before effect of accounting change	86,871	109,135	151,517	154,387	46,975
Cash and investments	365,219	280,850	377,569	579,106	590,895
Total assets	715,554	778,212	952,518	1,093,331	1,133,758
Stockholders' equity	255,189	370,245	536,687	881,721	935,482
Annualized ROE	42%	35%	28%	20%	21%

Ownership:

Management/Directors/Employees:	5%
Institutional Holdings:	85%
Retail/Other:	10%

Corporate Office: San Jose, CA

Employees: 1,208

Research Coverage by 15 Most Active Market Makers

Salomon Smith Barney Inc.	Clark Westmont	(415) 955-4933
Morgan Stanley & Co., Inc.	Mark Edelstone	(415) 576-2381
Goldman, Sachs & Co.	Joe Moore	(212) 902-6834
Donaldson, Lufkin & Jenrette	Charles Boucher	(415) 249-2277
Lehman Brothers Inc.	Jim Barlage	(212) 526-6093
Prudential Securities Inc.	Hans Mosesman	(650) 320-1631
PaineWebber Inc.	John Lazlo	(415) 576-2980
J.P. Morgan Securities Inc.	Terry Ragsdale	(212) 648-9047
CIBC Oppenheimer & Co., Inc.	Ken Pearlman	(415) 438-3016
Josephthal & Co.	Larry Borgman	(212) 907-4169
BancBoston Robertson Stephens	Dan Niles	(415) 693-3241
Warburg Dillon Read, LLC	Greg Mischou	(415) 352-5667
Soundview Financial Group	Eric Rothdeutsch	(415) 217-5530
Adams, Harkness & Hill, Inc.	Tim Kellis	(617) 371-3712
Gerard Klauer Mattison & Co.	Jack Geraghty	(212) 885-4003