
WHITE PROXY CARD

**PROXY SOLICITED BY THE BOARD OF DIRECTORS OF
MENTOR GRAPHICS CORPORATION
FOR THE ANNUAL MEETING OF SHAREHOLDERS ON MAY 12, 2011**

The undersigned hereby appoints Dr. Walden C. Rhines, Gregory K. Hinckley and Dean M. Freed, and each of them, as attorneys and proxies of the undersigned, with full power of substitution, to vote all of the shares of Mentor Graphics Corporation Common Stock which the undersigned may be entitled to vote at the annual meeting of shareholders of Mentor Graphics Corporation to be held at 8005 S.W. Boeckman Road, Wilsonville, Oregon 97070-7777, on May 12, 2011, at 9:00 a.m. local time, and at any and all continuations, adjournments or postponements thereof, with all powers that the undersigned would possess if personally present, upon and in respect of the matters on the reverse side and in accordance with the accompanying instructions, with discretionary authority as to any and all other matters that may properly come before the meeting.

The undersigned hereby revokes all proxies previously given by the undersigned to vote at the annual meeting of shareholders or any continuation, adjournment or postponement thereof.

(Continued and to be signed on the reverse side)

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, proxy statement and proxy card are available at http://www.mentor.com/company/investor_relations/.

YOUR VOTE IS IMPORTANT

Please take a moment now to vote your shares of Mentor Graphics Corporation Common Stock for the upcoming annual meeting of shareholders.

PLEASE REVIEW THE PROXY STATEMENT AND VOTE TODAY IN ONE OF THREE WAYS:

- Vote by Telephone**—Call toll-free in the U.S. or Canada at **1-866-894-0490**, on a touch-tone telephone. If outside the U.S. or Canada, call **1-267-468-0266**. Please follow the simple instructions. You will be required to provide the unique control number printed below.

OR

- Vote on the Internet**—Access <https://www.proxyvoting.com/MENT> and follow the simple instructions. Please note, you must type an “s” after http. You will be required to provide the unique control number printed below.

CONTROL NUMBER:

You may vote by telephone or by Internet 24 hours a day 7 days a week. Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you had marked, signed and returned a proxy card.

OR

- Vote by Mail**—If you do not wish to vote by telephone or by Internet, please complete, sign, date and return the proxy card in the envelope provided, or mail to: **Mentor Graphics Corporation, c/o MacKenzie Partners, Inc., 105 Madison Avenue, New York, NY 10016**.

▼ To vote by mail, please detach along perforated line and mail in the envelope provided. ▼

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

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THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR ALL NOMINEES” IN PROPOSAL NO. 1, “FOR” PROPOSAL NO. 2, FOR “EVERY YEAR” IN PROPOSAL NO. 3 AND “FOR” PROPOSAL NOS. 4, 5 AND 6.

1. Election of Directors:

FOR ALL NOMINEES

WITHHOLD AUTHORITY FOR ALL NOMINEES

FOR ALL EXCEPT
(See instructions below)

NOMINEES:

01 PETER L. BONFIELD

05 MARSHA B. CONGDON

02 JAMES R. FIEBIGER

06 GREGORY K. HINCKLEY

03 KEVIN C. MCDONOUGH

07 PATRICK B. MCMANUS

04 WALDEN C. RHINES

08 FONTAINE K. RICHARDSON

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark “**FOR ALL EXCEPT**” and write the nominee’s name(s) on the line below.

2. Shareholder advisory vote on executive compensation.

FOR AGAINST ABSTAIN

3. Shareholder advisory vote on the frequency of future advisory votes on executive compensation.

EVERY YEAR EVERY TWO YEARS EVERY THREE YEARS ABSTAIN

4. Proposal to amend the Company’s 1989 Employee Stock Purchase Plan and Foreign Subsidiary Employee Stock Purchase Plan to increase the number of shares reserved for issuance under each of the plans.

FOR AGAINST ABSTAIN

5. Proposal to ratify the appointment of KPMG LLP as the Company’s independent registered public accounting firm for its fiscal year ending January 31, 2012.

FOR AGAINST ABSTAIN

6. Proposal to amend the Company’s bylaws by adding a new Article XI to opt out of certain provisions of the Oregon Business Corporation Act relating to business combinations with interested shareholders.

FOR AGAINST ABSTAIN

THE PROXIES WILL VOTE THE SHARES REPRESENTED BY THIS PROXY AS SPECIFIED, BUT IF NO SPECIFICATION IS MADE, THE PROXIES WILL VOTE THE SHARES “FOR ALL NOMINEES” IN PROPOSAL NO. 1, “FOR” APPROVAL OF PROPOSAL NO. 2, FOR “EVERY YEAR” IN PROPOSAL NO. 3 AND “FOR” APPROVAL OF PROPOSAL NOS. 4, 5 AND 6. THE PROXIES MAY VOTE IN THEIR DISCRETION AS TO OTHER MATTERS WHICH MAY COME BEFORE THE MEETING.

YOU WILL SAVE THE COMPANY EXPENSE AND TIME IF YOU DATE, SIGN AND RETURN THIS PROXY AS SOON AS POSSIBLE BEFORE MAY 12, 2011.

Signature of Shareholder: _____ Date: _____

Signature of Shareholder:
(if held jointly): _____ Date: _____

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.