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Avant!'s DRC market share grossly overstated.

Based on Dataquest's published market statistics dated September 1997 Cadence Design Systems, Inc.'s (NYSE Symbol: CDN) share of last year's \$94.7 million Design Rule Checking ("DRC") market was greater than 50%. Both Cadence and Mentor Graphics Corp.'s (OTC Symbol: MENT) DRC market share are reported to have grown even greater in 1997. These companies possess the sector's newest most advanced technology. We know of no basis for statements included in yesterday's Avant! (OTC Symbol: AVNT) (Price: \$27.00) press release that claims Cadence's market share has "dropped below 50%" or that Avant!'s DRC entrant "could change EDA history". Avant! competes in the DRC market through its 1995 acquisition of Intergrated Silicon Systems Inc. ("ISS"). After the purchase Avant! changed the name of ISS' physical verification tool to "Hercules".

The physical verification tool market is much smaller and less profitable than the place and route market. Avant!'s key officers and directors have been criminally charged with stealing Cadence's place and route software. In addition to the criminal theft charges, Avant! has lost an appeal and faces losing its Aquarius place and route business. Avant! claims its "new" Apollo product is not stolen. We believe Apollo is simply the stolen Aquarius product adopted to use Hercules' database. This is the basis for Avant!'s claim that its place and route and its physical verification tools can now use a common database. As the name implies "common" databases are not new and are much less efficient than separate DRC and router databases.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.