

August 21, 1997

Avant! exposed to enjoining order on theft of database alone.

On August 12, 1997 Cadence Design Systems, Inc. ("Cadence") requested that the U.S. Court of Appeals for the Ninth Circuit reverse those parts of U.S. District Judge Ronald M. Whyte's March 1997 Order that failed to enjoin Avant! Corporation ("Avant!") (OTC Symbol: AVNT) (Price: \$32.00) from leasing, selling or servicing its ArcCell, ArcCell XO, Aquarius-BV and Aquarius-XO products. The Order was issued before the April arrest of seven of Avant!'s directors and officers on charges of theft.

Cadence's Motion for Preliminary Injunction, which was entered in April 1996 and argued before Judge Whyte in September 1996, is based upon conclusive physical evidence that proves Avant! literally copied large parts of Cadence's legally protected database property. Cadence believes that based solely on this undisputed and proven act of copyright infringement it has the right to obtain an injunction. Judge Whyte's March 1997 Order concludes that the "evidence establishes that Avant! copied Cadence's property that is protected as copyrighted and as trade secret." According to Cadence the law dictates that this finding is all that was required to assure its right to obtain an injunction. Therefore, according to Cadence, the Court erred by basing its decision to deny the injunction on the fear that the injunction "would seriously jeopardize Avant!'s ability to survive."

Avant! has presented a number of defenses to Cadence's request for an injunction. Judge Whyte's March 1997 Order refuted and denied its most seriously attempted defense, which was a claimed right to use Cadence's code based on a June 6, 1994 agreement and release. Avant! has also claimed that the stolen code was "low level" and mostly part of the "public domain" and that 95% of Avant!'s products are "clearly and unquestionably original." Furthermore, Avant! claims that the stolen "low-level" code is unimportant and that its "clearly and unquestionably original" code is very important. It is Cadence's position that none of these defenses affect its right to stop Avant! from using its property.

Cadence is relying solely on the easily proven, literal exact copying of protected database property to obtain an injunction and sees no purpose to challenge Avant!'s irrelevant assertions at the Appeal level. Therefore, Cadence did not directly refute Avant! claims at the August 12th hearing. This does not in anyway indicate that Avant!'s assertions are true. On the contrary, it is completely false and untrue that 95% of Avant!'s code is "clearly and unquestionably original." The facts are that Avant! and its key officers stand charged in civil and criminal court of stealing exactly the material they claim to be "clearly and unquestionably original." It is also entirely false and untrue that Cadence's database, upon which the injunction request rests, is unimportant. The database is essential to Avant!'s Aquarius products, belongs to Cadence not Avant! and Avant! has no right to use it. As U.S. Court of Appeal Judge Sidney Thomas asked Avant!'s attorney last week: "If the 5% was so insignificant, why did they copy it?" The only logical reason is that they needed it, they did not have it, and they could not write it. This database issue alone is enough to create the potential to end Avant!'s existence. Unfortunately, for shareholders Avant! is also charged with stealing Cadence's algorithms.

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