

March 1, 1989

Dear DataCAD Users Group Chairman,

Recently there has been speculation among our users regarding Microtecture's future plans for DataCAD. Rumors have spread concerning a possible merger or concerning the financial viability of Microtecture Corporation. It's time to put these rumors to rest and to explain clearly what is happening with DataCAD and Microtecture.

To this end, I have enclosed two letters recently addressed to Rick Gleason, chairman of the DataCAD Boston Users Group (DBUG). These letters should help to explain the situation. One letter is from Daryl Ferguson, President and CEO of Microtecture. The other is from Kenneth Ledeen, President and CEO of Sigma Design.

As you know, it is normal for a Board of Directors to periodically conduct negotiations with other firms who may help improve the company's business. Usually these negotiations are private until and unless they become final.

In this case, some information and misinformation concerning these negotiations has been made public, causing unnecessary worry among our customers who depend on our product. We therefore wish to share some details of our corporate strategy with you, so you can separate truth from error.

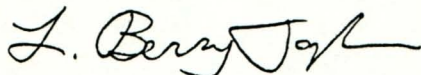
Here are two important points to keep in mind:

1. **DataCAD is here to stay.** Microtecture is aggressively developing DataCAD 4.0. If there is a merger, Sigma Design is committed to aggressive DataCAD development.
2. **Microtecture is a profitable corporation,** with or without Sigma Design. Microtecture's 1988 sales increased 65% over 1987 sales.

I would encourage you to share the enclosed letters with the members of your users group, and to offer us any comments you may have.

As always, thanks for your interest in DataCAD.

Sincerely,



L. Berry Taylor
Director of Training