

For release: **IMMEDIATE**

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**ASHTON-TATE REPORTS INCREASED NET INCOME AND
NET REVENUES FOR THE QUARTER ENDED MARCH 31, 1989**

TORRANCE, Calif., April 19, 1989 -- Ashton-Tate Corporation (NASDAQ:TATE) today reported net income of \$11.5 million (\$.44 per share) for the quarter ended March 31, 1989, compared to net income of \$11.1 million (\$.43 per share) reported for the quarter ended April 30, 1988.

Revenues for the quarter were \$89.8 million, a 24 percent increase over the \$72.4 million in revenues reported for the first quarter last year.

"Increased revenues for the quarter ended March 31, 1989 reflected strong performances in our European and other international businesses," said Edward M. Esber, Jr., Ashton-Tate's chairman and chief executive officer, "but we limited U.S. product shipments in February and March in connection with our previously announced program to substantially reduce inventories held by our major U.S. distributors and resellers."

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Continued volume shipments of relatively lower priced product upgrades and the continued accrual of the costs of providing free version 1.1 upgrades to registered users of dBASE IV and certain Macintosh products held gross margins at approximately fourth quarter levels. As the company had previously indicated, operating income for the March quarter was impacted by increased research and development and sales and marketing expenses. Administrative and general expenses were slightly lower than fourth quarter levels.

Esber added, "Sales and earnings for the March 1989 quarter exceeded those for the April 1988 quarter in spite of our limitation of U.S. product shipments during February and March. As we expected, our internal inventories were up slightly, but accounts receivable were substantially reduced from January 31, 1989 levels. We are pleased to report that sell-through of dBASE IV to end users has increased and that customer inventory levels are declining. The dBASE family of products has never been stronger. Users have accepted dBASE IV as the microcomputer database management standard and dBASE III PLUS is still selling well."

Esber attributed part of the increase in end-user sell-through and reduction in customer inventories to the impact of the company's increased sales and marketing activities, most

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specifically to the impact of "Winner By Technical Knockout," the most extensive promotional campaign in Ashton-Tate history.

The promotion, which extends through May 31, 1989, includes a number of dealer, distributor and customer incentives designed to generate interest in dBASE IV and MultiMate Advantage II, including a special dBASE IV demonstration that can be viewed at authorized Ashton-Tate resellers.

According to Esber, the company plans to continue to expand its sales and marketing activities and expenditures through the rest of the year. The company's goal is to have this investment result in increased market share, revenues and earnings during the second half of calendar 1989.

"Our primary focus at this time is to continue to increase revenues and market share," said Esber. "Our second quarter net income will continue to be affected by increased sales and marketing expenditures and reduced U.S. shipments, but we are committed to increasing market share and further reducing customer inventories.

Esber also said Ashton-Tate is reinforcing its commitment to long-term product development. "We have built a strong technological base. Our R & D spending has increased more than 30 percent from a year ago," he said. "We began assembling a development team for the 1990s more than a year ago, and we expect new products from this team will add to revenues and earnings in the future."

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In addition to increasing its internal development capabilities, Ashton-Tate acquired a majority interest in Interbase Software Corporation in April 1989. Interbase is the technical leader in multimedia distributed relational database software for computer workstations. Ashton-Tate expects to incorporate Interbase technology in its future software products.

As announced earlier in the year, the company has changed its financial reporting year-end to December 31 and will henceforth report on a calendar quarter basis.

Based in Torrance, Calif., Ashton-Tate markets best-selling microcomputer business applications software for DOS, OS/2 and Macintosh operating systems. Products are available in six major categories: database management systems, word processing, integrated decision support software, spreadsheets, business graphics and desktop publishing. The company also offers a variety of software applications, tools and utilities under the Tate Publishing label, as well as a library of best-selling

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computer hardware and software-related books and periodicals. Ashton-Tate also markets a comprehensive line of service and support programs for individuals, corporations and government agencies.

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dBASE IV, dBASE III PLUS and MultiMate Advantage II are trademarks of Ashton-Tate Corporation.

COMPARATIVE RESULTS
(In thousands, except per share data)

	<u>THREE MONTHS ENDED</u>		
	<u>March 31, 1989</u>	<u>April 30, 1988</u>	<u>January 31, 1989</u>
Net Revenues	\$89,803	\$72,363	\$87,298
Pre-Tax Income	\$17,102	\$18,164	\$18,944
Net Income	\$11,502	\$11,064	\$13,444
Net Income Per Share	\$.44	\$.43	\$.51
Average Shares Outstanding	26,402	25,938	26,382