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TO: All Employees
FROM: Luther J. Nussbaum
RE: Shareholder Meeting Announcements
DATE: May 24, 1988

Luther Nussbaum Edward M. Esber, Jr.

Today Ashton-Tate will host its Fiscal 1988 Annual Meeting of Stockholders at the Century Plaza Hotel in Los Angeles. Meeting highlights will include the introduction of Framework III and a product development progress report on dBASE IV, SQL Server and Full Impact.

Framework III is the latest version of Ashton-Tate's highly acclaimed family of Framework integrated software products. Framework III offers significant improvements to all six of its functional areas as well as enhanced network capabilities with electronic mail support. Dataquest has called the product the first true groupware application. Product availability is July 31, 1988, for the single-user version and October 31, 1988, for the LAN version.

While we are announcing that the window of possible delivery dates for dBASE IV is now July through September, we are affirming our commitment to meet a July shipment target. In support of our drive to ship in July we are disclosing that we have no memory and performance problems and are reducing the number of bugs as quickly as possible with an aggressive find/fix program.

During our product development update, we will also reconfirm our commitment to ship Full Impact by July 31 and SQL Server during the second half of this year, as originally forecast.

We expect that the press, financial community and other industry observers will have more questions concerning our product ship dates. If you should receive such a call, please refer it to Maureen Drisner in Corporate Communications. Maureen will connect the caller with the appropriate Ashton-Tate spokesperson.

The attached press release recaps the Annual Meeting activities in more detail. Your efforts will make our July commitments a reality. I thank you in advance for your support.

ASHTON-TATE NEWS

ASHTON-TATE AFFIRMS GOAL OF dBASE IV SHIPMENTS BY JULY 31st

TORRANCE, Calif., May 24, 1988 -- Ashton-Tate Corporation (NASDAQ: TATE) today affirmed it is driving to ship dBASE IV by the end of the company's second fiscal quarter on July 31, as scheduled.

In a speech before Ashton-Tate's fifth annual stockholders' meeting, Luther J. Nussbaum, president and chief operating officer, said dBASE IV "is in good shape," meets or exceeds performance and memory benchmarks, and is being de-bugged. The company's success in de-bugging the product is the key issue to determining when it will ship, he said.

Nussbaum added that, at the time of the product's announcement on February 17, the company was confident dBASE IV would ship within a window of May 1 to July 31, 1988. While the company firmly remains committed to shipping the product as originally scheduled, he said, the current window for release extends from July 1 to September 30.

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 ASHTON-TATE
20101 Hamilton Avenue
Torrance, California 90502-1319
(213) 538-7312

"Software development, especially de-bugging, is an art, not a science," Nussbaum said. "Project timetables are estimates that are subject to some variability. In addition to its graphics-intensive user interface, microcomputer software now has a higher level of complexity -- and a lower tolerance for bugs -- than minicomputer software.

"dBASE IV will become the state-of-the-art in microcomputer databases," Nussbaum said. "With 400,000 lines of code, it has represented one of the most massive applications development and testing projects in the history of microcomputer software. The project is in good shape, and we are driving to ship dBASE IV in July."

In another major development, Ashton-Tate today announced Framework III, the latest version of its acclaimed Framework integrated decision support software package. Framework III includes built-in electronic mail support as well as significant improvements in each of the product's six functional areas.

Major enhancements to Framework III include full-color support, mouse support, a thesaurus, networking, and a memory-management enhancement that enables stand-alone production applications to be run from within Framework III.

The single-user version of Framework III is priced at \$695 and will be available by July 31. Framework III LAN, a complete system for up to five concurrent users, is priced at \$995 and will be available by October 31. Framework III is the first

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product from Ashton-Tate's Decision Support Business Unit, also formally announced today by Roy E. Folk, executive vice president, general manager of the Software Products Division.

Edward M. Esber Jr., chairman and chief executive officer, reviewed Ashton-Tate's major strategic announcements of early 1988: the alliance with Microsoft Corporation and Sybase, Inc., to market SQL Server; the announcements of dBASE IV, DRAW APPLAUSE, and two products for the Macintosh computer, FullWrite Professional and Full Impact; the acquisition of Ann Arbor Softworks; the technology agreement with and investment in Interbase Software Corporation; and the company's support for additional strategic operating systems such as the AT&T/Sun Microsystems' UNIX Open Look interface, and DEC VAX/VMS.

"The company's long-term strategy is going public," Esber said. "The technologically-advanced products and strategic partnerships we have announced play a major role in Ashton-Tate's plan to incorporate four strategic cornerstones -- multiple-platform databases, workgroup computing solutions, heterogeneous and homogeneous connectivity, and the integrated office solution -- into a complete set of solutions that meet customer needs.

"Software unlocks hardware's potential and is the key to meeting these needs," Esber said. "That's why we are confident we're in the best position to lead users into a new era of computing."

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George L. Farinsky, executive vice president and chief financial officer, reviewed Ashton-Tate's financial performance. Over a five-year period, net revenues increased at a compounded annual rate of 58 percent (from \$42.9 million to \$267.3 million); net income increased at a compounded annual rate of 69 percent (from \$5.3 million to \$43.1 million); and net income per share rose at a compounded annual rate of 50 percent (from 34 cents per share to \$1.70 per share).

The company's balance sheet was further strengthened during the last fiscal year, ended January 31, 1988, Farinsky reported. Cash (\$117.6 million) and accounts receivable (\$58.4 million) comprised about 70 percent of total assets at year-end, and were more than twice the company's total liabilities (\$70.6 million).

Ashton-Tate stockholders, meeting at the Century Plaza Hotel in Los Angeles, also approved proxy proposals to re-elect the nine members of the company's Board of Directors and ratify amendments to the company's 1982 amended and restated common stock option and purchase plan, its 1983 incentive stock option plan, its 1987 stock option plan, its non-employee directors' option plan and its employee stock purchase plan. Price Waterhouse was ratified as the independent auditors for the fiscal year ending January 31, 1989.

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