

concentrate on developing valuable service-based programs, examine service areas for the corporate environment, and explore new business opportunities.

"The Software Products division will be responsible for desktop products from inception to quality assurance. It will continue to develop and market advanced, state-of-the-art microcomputer software products, and publish a growing library of computer publications and utility software," Esber added.

Folk, 40, joined Ashton-Tate in August 1985 as executive vice president, marketing and strategic planning. Previously, he was president/CEO of Paladin Software Corp., which he founded in October 1983. He also spent more than two years as a marketing manager for VisiCorp, and served in key marketing positions for DEC, Xerox, Amcomp and Applicon. He holds three degrees from the Massachusetts Institute of Technology, including an MBA and an MS in computer science.

Posner, 44, has been associated with Ashton-Tate since April 1984 in a variety of high-level positions, including member of the board of directors, acting vice president of international operations, and executive vice president, marketing, sales and international. He has been executive vice president, sales and international, since August 1985. Previously, Posner was chairman/CEO of National Training Systems, a leading provider of microcomputer training services, which he founded in 1974. He has also held marketing and sales positions with Xerox and the Coca-Cola Company. He holds an MBA from the Harvard Business School.

Ashton-Tate reported revenues of \$41.2 million and net income of \$5.1 million for the first quarter of fiscal 1987, ended April 30, 1986, increases of 71.8 percent and 118.6 percent, respectively, from the same period of the previous year. The company reported record revenues of \$121.6 million and record net income of \$16.6 million for fiscal 1986, ended January 31, 1986.

The company markets best-selling products in three major categories: database management software, with the industry-standard dBASE family of products; word processing, with the MultiMate product line; and integrated software, with Framework II.

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Framework II is a trademark of Ashton-Tate.

ASHTON-TATE REORGANIZATION
QUESTIONS AND ANSWERS

1. Q. Will Ed Esber's role change as part of the reorganization?

A. Ed Esber will remain as President/CEO with responsibility for overseeing and directing all current Ashton-Tate activities. He will also maintain his focus on long-range planning and business strategy development. In addition to finance and administration, and operations, functions reporting directly to the President/CEO will now include the sales and international units. The development and documentation groups, formerly reporting to Ed Esber, will now report through Roy Folk, executive vice president and general manager, Software Products Division.

2. Q. Do you anticipate any employee layoffs as a result of the reorganization?

A. No. The reorganization is designed to position us for future growth. It is a very positive move for the company, and we will need the continued help and support of all Ashton-Tate employees to make these changes work.

3. Q. How will the reorganization affect my individual department? Will I continue to report to my same supervisor?

A. There will be minimum impact on most departments in the company. A few new reporting relationships will result. For example, the Software Support Group, led by Jay Hanson, will now report to Ron Posner's new Systems, Service and Information Division. Karen Orton's marketing programs group, formerly reporting to Roy Folk, will also be part a part of SSI. We expect detailed plans for each department affected to be complete by June 23.

4. Q. Will the reorganization involve physical moves of departments or employees?

A. No, not at the present time.

5. Q. Are there any written procedures I have to follow or forms I have to fill out if I am transferring to a new division?

- A. No. Any paperwork required will be handled by the Human Resources department.
6. Q. When will detailed plans be available?
- A. We expect detailed plans for each department, including revised organization charts where required, to be available by June 23.
7. Q. Why is Software Support being transferred to the new SSI division?
- A. An important strategic goal of the company is to build a full-scale computer services organization, in addition to offering top-quality desktop microcomputer software products. Our new divisional structure reflects that goal. The Software Support organization is, by nature, a supplier of service and support to our users. It's a logical step to make them an integral part of SSI.
8. Q. Does the reorganization affect any of my benefits or vacation accrual?
- A. No.
9. Q. Will my salary be affected by the reorganization?
- A. No.
10. Q. Why did the company feel it was important to reorganize?
- A. Ashton-Tate, like the microcomputer industry, is constantly changing. Strategies and approaches that produced results in late 1984 are not as effective given the current industry environment and the company's present stage of development. This reorganization is designed to help us address these new conditions and ultimately position our company for future growth.
11. Q. Didn't the company go through a similar reorganization about a year and a half ago?
- A. Yes. At the time we were also faced with the need to make changes that would help steer the company toward further growth. As we have all witnessed, that decision helped the company almost double in size

over the past 18 months.

12. Q. There are rumors about the hiring of a new president. Is there any truth to this?
- A. The reorganization is exactly as outlined in the organizational chart. The company has planned no other announcements at this time.
13. Q. Have we leased the other part of this building and will we be moving departments over there in the near future?
- A. Though we haven't signed a lease agreement on the other half of this complex, we have arranged for a first right of refusal with the building owners.
14. Q. Why did Ed Esber choose to have so many direct reports?
- A. The number of direct reports to the President/CEO has not changed. There were six direct reports before the reorganization and there will be the same number now.
15. Q. Who is responsible for product quality assurance?
- A. Operations, under the direction of Barry Berke.
16. Q. Was this reorganization implemented in an effort to gain control over product bugs?
- A. The reorganization was implemented to better position the company for the future and is consistent with our recent comments regarding the company's continued presence in the computer services industry. We constantly monitor our products to assure they are as "bug-free" as possible.
17. Q. What new services does the company plan to offer?
- A. We have nothing specific to discuss at this time. Details of our services programs will be forthcoming.

18. Q. Why was the strategic sales department separated out of sales?
- A. There are several reasons. (1) Strategic alliances between Ashton-Tate and other major players in the industry are often formed well in advance of product announcement, distribution and sales. (2) Strategic sales often present situations in which Ashton-Tate products are distributed by other companies' sales forces and distribution networks. (3) Strategic sales also are frequently targeted at a specific market (the government, for example, requires a different set of service and support activities.
19. Q. How soon will the reorganization take effect? Is it effective immediately?
- A. The reorganization is effective immediately.
20. Q. Why was the decision made to have development report through Roy Folk?
- A. We felt it was important to place total responsibility for all microcomputer software under one division. In the new Software Products division, Roy Folk is responsible for all aspects of microcomputer software starting with inception, through development and production, up to quality assurance.
21. Q. What do you mean by "non-mainstream" products as part of the Systems, Service and Information charter?
- A. We are referring to all products not categorized as desktop or in the microcomputer arena.
22. Q. With this reorganization, are we positioning ourselves for another acquisition?
- A. We are positioning ourselves for future growth. There is always the possibility we will acquire other companies if the right match is found.

NEW ORGANIZATION - EFFECTIVE 06/09/86.

