

MEMORANDUM

To: All Ashton-Tate Employees  
From: Ed Esber *EEW*  
Date: July 25, 1989  
Re: Second Quarter Announcement

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I thought it would be appropriate to take a few moments to discuss the announcements made today by our company. They signify a point of departure for a new plateau of growth for Ashton-Tate, as well as new and exciting challenges for all of us.

Though we had anticipated a shortfall in our quarterly results, the extent of our loss was somewhat greater than we had expected. However, management has implemented a number of actions that will result in moving us back on the growth path we have all come to expect.

As the accompanying news release points out, with our complicated tax structure, we experienced some higher than anticipated tax charges, and a revenue reduction related to a write-off of product rights and inventories related to the Decision Resources product line acquired in 1986.

I am in the process of implementing a number of actions to move the company back on track. I am increasing my own participation in the day-to-day operations of the company. Much of that increase will relate to my assumption of the full responsibilities of the president, following the resignation of Luther Nussbaum.

My commitment and resolve are firm in moving our company forward. dBase is the industry standard and Ashton-Tate is the industry leader. We will not only maintain that lead, but increase it through increased market share and sales.

But this is not only my job, it belongs, also, to you and I need your help. It is important to maintain our cost structure, if not to reduce it. It is incumbent on all of us, to keep a keen eye out for possible cost reductions and effect them when appropriate. This is also a time during which we must be particularly sensitive about requests for information from the media. All of these should be routed through Corporate Communications. If you have any questions or require elaboration of the issues I've discussed here, please contact your supervisor.

Thank you in advance for your support and enthusiasm in moving Ashton-Tate forward. You are the people who make this company the great leader it is, and you are the people who will keep Ashton-Tate on top.