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ASHTON-TATE REPORTS SECOND QUARTER LOSS

TORRANCE, CA --- JULY 25, 1989 -- Ashton-Tate

Corporation (NASDAQ: TATE) today reported a net loss of \$19.8 million (\$.75 per share) for its second quarter ended June 30, 1989 on net revenues of \$59.5 million. For the quarter ended July 31, 1988 the company reported net income of \$11.5 million (\$.44 per share) on net revenues of \$71.9 million. The company also announced the resignation of Luther J. Nussbaum, president and chief operating officer.

The net loss for the second quarter was primarily attributable to reduced revenues and a write-off of approximately \$8 million (\$.30 per share) of product rights and inventories, principally related to the Decision Resources product line acquired in 1986. The reduction in revenues resulted primarily from the continuation of the company's previously announced joint program with its U.S. distributors and resellers to substantially reduce distribution channel inventories, and from lower than expected upgrade revenues.

Edward M. Esber, Jr., Chairman and Chief Executive Officer said the principal factor which caused the company's loss to be higher than anticipated was the allocation of a portion of the loss to jurisdictions in which the company realizes little or no tax reduction or credit.

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For the six months ended June 30, 1989, the company reported a net loss of \$8.3 million (\$.31 per share) on net revenues of \$149.3 million. Net income for the six months ended July 31, 1988 was \$22.6 million (\$.87 per share) on net revenues of \$144.3 million.

Mr. Esber stated that Mr. Nussbaum resigned over differences in management philosophy and that he would assume the additional title and responsibilities of president. All staff that had reported to Mr. Nussbaum will report directly to Mr. Esber. Mr. Esber said the company has no plans to appoint a new president.

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, graphics and desktop publishing. Tate Publishing offers a variety of software applications, tools and utilities under the Tate Publishing Software label, as well as a library of best-selling 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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