



MEMORANDUM

TO: All Employees
FROM: Ed Esber *EE*
RE: Attached Press Release
DATE: June 13, 1989

Ashton-Tate announced this morning that it anticipates lower revenues and a net loss for the quarter ended June 30, 1989. The attached press announcement, released this morning, provides further information.

Should you receive a call from a financial research analyst, broker or member of the press, please refer them to our Corporate Communications at X7350.

IMMEDIATE

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Ashton-Tate Anticipates Reduced Revenue and a Net Loss For the Second Quarter

TORRANCE, Calif., June 13, 1989 -- Ashton-Tate Corporation (NASDAQ: TATE) announced today that it expects to report significantly reduced revenues for the quarter ending June 30, 1989, perhaps as low as \$55 million, compared to \$71.9 million reported for the quarter ended July 31, 1988 and \$89.8 million reported for the first quarter of 1989. The anticipated reduction in revenues results primarily from the continuation of the company's previously announced program to substantially reduce U.S. distributor and reseller inventories and from lower than expected upgrade revenues.

Given the reduced revenues, combined with increased sales and marketing expenditures, the company anticipates that for the second quarter it will report a loss estimated at \$15 million (\$0.56 per share) including approximately \$8 million (\$0.30 per share), related to the writeoff of product rights and inventories principally related to the Decision Resources product line which it acquired in 1986.

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The company stated that it believes the sell-through of its dBASE product line to end users has generally met expectations. It also believes that dBASE III PLUS and dBASE IV are currently the two best-selling microcomputer database products and estimates the products are selling at approximately equal rates. "We are hopeful that the anticipated introduction and shipment of dBASE IV Version 1.1 during the third quarter will have positive results," said Edward M. Esber, Jr., Chairman and CEO.

Depending upon the date by which the company ships dBASE IV Version 1.1 and the status of its inventory reduction program, the company stated that it may report a loss for the quarter ending September 30, 1989.

"We are confident that our current U.S. distributor and reseller inventory reduction program is the proper course of action," added Esber. "We are determined to reduce the ratio of distributor and reseller inventories to sales and will continue to increase sales and marketing expenditures to stimulate demand for our products."

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