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For Immediate Release

ASHTON-TATE ANNOUNCES SECOND QUARTER RESULTS

CULVER CITY, Calif., September 10, 1984 -- Ashton-Tate (OTC: TATE) today announced results for the quarter ended July 31, 1984. As compared with the prior quarter, the company's net revenues were \$19,193,000, up from \$11,207,000; net income was \$682,000, up from \$149,000; and earnings per share were \$.07, up from \$.02. For the first six months of the current year, the company's net revenues were \$30,400,000, up from pro forma net revenues of \$14,868,000 the prior year; net income was \$831,000, down from \$2,869,000; and earnings per share were \$.09, down from \$.38.

According to Edward M. Esber, Jr., Ashton-Tate's president and chief operating officer, the higher revenues were due primarily to initial shipments within the quarter of dBASE III, the company's advanced database management system, and Framework, a integrated product.

"We're extremely pleased with the reception dBASE III and Framework have received, as well as with the continuing popularity of dBASE II," Esber declared. "We believe Ashton-Tate has established itself as the only independent company in the microcomputer software industry with successful product entries in two major market segments."

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Esber said that earnings for the quarter were adversely affected by a number of factors, including: increased promotional and advertising spending and high start-up expenses associated with the launch of dBASE III and Framework; increased product costs due to higher packaging costs for these new products; an inventory write-down due to changing product mix; and the expense of building a field sales organization.

According to Esber, research and development costs also rose for the quarter as a result of Ashton-Tate's increased focus on the development of new products and enhancement of existing product lines.

"We believe the first six months of this year have been a period of building for and investing in for the future," Esber said. "We feel strongly that Ashton-Tate is now in a position to reap the rewards of this effort in the second half of the year, and we expect excellent results during the third and fourth quarters."

Ashton-Tate is a leading developer and marketer of microcomputer software products and related books and periodicals. The company publishes Framework, a multi-function, integrated program as well as a family of data management products that includes: dBASE III, an advanced microcomputer database management system; dBASE/Answer, a micro-mainframe link; dBASE II and dBASE II Multi-User; and Friday!, an easy-to-use file management system.

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COMPARATIVE RESULTS

Ashton-Tate Incorporated
ended July 31 of about \$130,000 or \$0.07 a share compared with earnings of \$100,000 or \$0.17 a share on a pro forma basis a year earlier, David J. Dow, Chairman and Chief Executive, told Dow Jones.

(In thousands, except per share data)

	July 31, 1983 (Pro Forma)*	Three Months Ended July 31, 1984 (Historical)	July 31, 1984
Net Revenues	\$ 7,814	\$ 8,725	\$19,193
Pre-Tax Income	2,569	1,601	1,240
Net Income	1,298	856	682
Earnings Per Share	\$0.17	\$0.12	\$0.07

	July 31, 1983 (Pro Forma)*	Six Months Ended July 31, 1984 (Historical)	July 31, 1984
Net Revenues	\$14,868	\$18,016	\$30,400
Pre-Tax Income	5,677	3,551	1,528
Net Income	2,869	1,909	831
Earnings Per Share	\$0.38	\$0.27	\$0.09

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*Ashton-Tate's pro forma results retroactively reflect the divestiture of two divisions and the acquisition of certain product rights during the first half of the year ended January 31, 1984. Pro forma adjustments do not affect financial data subsequent to July 31, 1983.

Analysts currently expect that the future of Ashton-Tate, a software manufacturer, rests with the success of its new products. If they don't develop, they say Ashton-Tate would be in a difficult position. However, they say that if the new products are successful, the company for several years. "If that is the case, then I think a lot of money will be made," says Dow. "Reorders of both products are up. That is a very good sign for the quarters — revenue and earnings will be up," Dow said.

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Culver City, California
Dow Jones

Ashton-Tate Incorporated expects to report net income for the fiscal second quarter ended July 31 of about \$700,000 or \$.07 a share compared with earnings of \$1,300,000 or \$.17 a share on a pro forma basis a year earlier, David C. Cole, Chairman and Chief Executive, told Dow Jones.

Ashton-Tate, a microcomputer software publisher, became publicly owned last December.

Second quarter revenue is expected to rise to \$20,000,000 from \$8,700,000 on a pro forma basis a year earlier, Cole said.

For the fiscal first quarter ended April 30, the Company had net income of \$149,000 or \$.02 a share on revenue of \$11,200,000.

Cole attributed the decline in earnings for the most recent second quarter to increased expenditures for research and development, advertising and promotion, new computers and additional employees. Research and development costs alone rose to \$1,500,000 in the quarter from about \$88,000 a year earlier, the executive said.

Cole predicted the Company will do "very well" in the fiscal third quarter and fourth quarter but declined to be specific.

He said he was "comfortable" with analysts' predictions that Ashton-Tate would earn \$8,800,000 or \$.95 a share on revenue of \$75,000,000 to \$80,000,000 for the year.

For the fiscal year ended January 31, Ashton-Tate had net income of \$5,300,000 or \$.68 a share on revenue of \$43,000,000.

Cole noted that Ashton-Tate spent about \$4,500,000 in the fiscal second quarter to advertise and promote its two newest computer software products, Framework, a \$695 software program and Database III, the successor to the Company's popular dBASE II electronic filing software computer program.

Sales of Framework which went on the market in mid-June and dBASE III have substantially eroded sales of dBASE II and currently account for about 60% of sales, Cole said. dBASE II which accounted for 81% of the Company's \$14,900,000 of sales in the first half a year ago, currently accounts for about 20% of sales, the executive added. "dBASE II use to be Ashton-Tate" Cole said "and analysts and others fretted that our introducing a competitive program could ruin us. I think we now can say with a good confident grin that the move has paid off."

Analysts currently suggest that the future of Ashton-Tate as a leading software manufacturer rests with the success of Framework. If significant sales of the product don't develop, they say Ashton-Tate should find itself in a breakeven earning situation or worse. However, they say that if Framework is successful, the product "could carry" the Company for several years. "If that is the case, then I believe we've made it," Cole said. "Reorders of both products are up. That we will do very very well in the third and fourth quarters — revenue and earnings will be up sharply — will bear me out on that" the executive said.

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