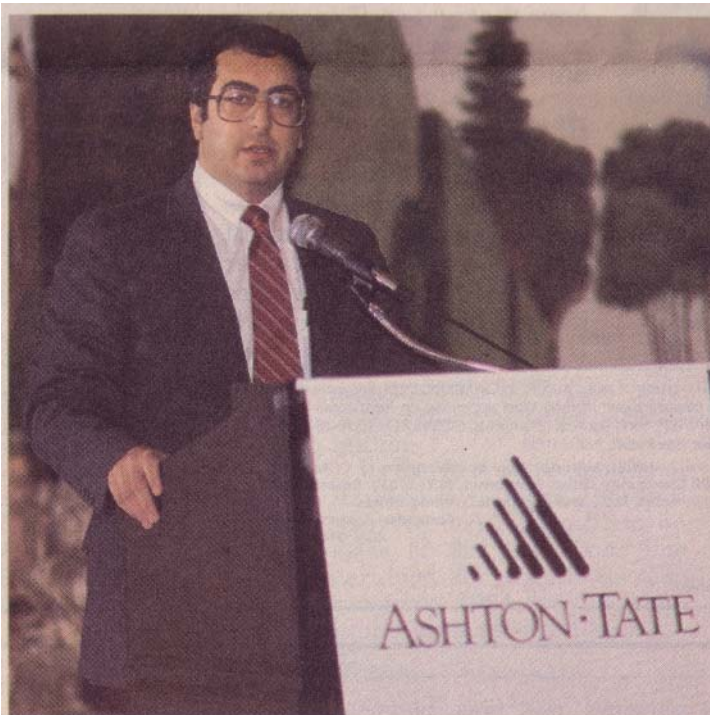


Ashton-Tate Expecting 40% Growth In Fiscal '85

By Dan Murphy



STILL RIDING HIGH: Ashton-Tate president Ed Esber tells shareholders to expect about 40 percent growth this fiscal year. See page 91.

LOS ANGELES — Ashton-Tate Inc. president Ed Esber said last week that the company is expecting about 40 percent growth this fiscal year after more than doubling its sales in the first quarter.

Speaking at the company's annual shareholders meeting, Esber said Ashton-Tate's growth will continue to be generated by sales to first-time customers. He said that the company and software vendors in general are looking for ways to coax the installed base of personal-computer users to purchase additional software products.

During the meeting, Ashton-Tate's shareholders approved a proposal to increase

the number of authorized common shares of the company to 25 million from 14.3 million. The company said, however, that it does not intend to issue any stock right away.

Esber said the Culver City, Calif.-based company is looking to move away from selling through distributors, which accounted for some 50 percent of Ashton-Tate's sales in fiscal 1985. The software maker's fiscal 1985 sales came to about \$82 million.

Instead, the company will focus more on selling directly to retailers and corporate customers. And it will continue to sell to microcomputer hardware manufacturers, which accounted for 12 percent of the company's sales in fiscal 1985.

Ashton-Tate has remarketing agreements with such personal-computer makers as IBM, AT&T and Tandy Corp.

"It's safe to say that the percentage of sales through distributors will decline over time," Esber said. "Our strategy is to align ourselves with the industry leaders." He added that sales to corporate customers "will continue to assume a greater significance."

The company said it will continue its efforts in the international market, where 22 percent of sales occurred last year and where Ashton-Tate claims to be the top supplier of microcomputer applications software.

Esber attributed the company's increasingly strong showing in its 1985 fiscal year to stronger planning and tighter management controls.

"Ashton-Tate has made the transition from an entrepreneurial company to an organization with a formal management structure and an emphasis on strategic and financial planning," said Esber. "Planning has replaced spur-of-the-moment decisions."

The company's cost-reduction policies include using outside contractors for production to keep inventories to a minimum, and employing outside developers to license the products from those companies.

Ashton-Tate recently announced an agreement to acquire the remaining 85 percent that it did not already own of Forefront Corp., the company that developed Framework for Ashton-Tate.

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During the 1986 first fiscal quarter, ended April 30, the company entered into a licensing agreement with a software developer that will give Ashton-Tate its first product for Apple Computer Inc.'s Macintosh. That deal is reportedly with Salt Lake City, Utah-based DigiCorp. -

Esber said that dBase II, Ashton-Tate's popular database management program, continues to provide the hulk of the company's revenues and accounted for 64 percent of sales in the 1986 first quarter.

The company's Framework integrated application package was responsible for another 20 percent of sales. Esber said this puts Ashton-Tate in the unique position of having successful products in two different segments of the microcomputer software market.

Esber admitted, however, that Framework has been unable to top Lotus Development Corp.'s Symphony integrated package in the sales battle, even though he said Framework is a superior product. Ashton-Tate designed it from scratch while Lotus was locked into using many of the components—both good and bad—of the original 1-2-3 in Symphony.

"The sales are a testament to the success of 1-2-3 rather than to the specific goodness of Symphony," Esber said.



Ashton-Tate president Ed Esber with Jill Weilsman Tate, a company director and widow of company founder George Tate.