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For Immediate Release

OBJECTIVITY REPORTS SURGE IN BOOKINGS FOR FISCAL YEAR 2005

- Success in National Security and Intelligence Markets Credited -

SUNNYVALE, Calif., (August 17, 2005) - - - As interest soars from the government sector for its real-time data management solutions for complex inter-related data, Objectivity, Inc., today announced results for the Fiscal Year ended June 30, 2005. Adoption of Objectivity/DB continued growing with bookings (customer orders) for Fiscal Year 2005 increasing 21% over the previous year. In addition, Objectivity continued to build its financial strength with cash, cash equivalents and short term investments increasing by 41% over the June 30, 2004 balances, and working capital (current assets less current liabilities) increasing by 46% over the previous year. "We achieved our financial objectives for 2005 and are continuing to build on a solid financial foundation that will support future growth," said Jay Jarrell, president and CEO of Objectivity.

Cost Management and Government Success

The company attributes its success to careful attention to cost management and its focus on the emerging national security and intelligence markets that benefit significantly from the company's flagship product, Objectivity/DB. Objectivity/DB is a real-time and scalable "data fusion" repository platform for mission-critical deployments with complex inter-related data. Objectivity is experiencing significant momentum in several security and intelligence and battlefield simulation applications where there is an enormous amount of complex data that needs to be managed. Objectivity/DB enables government agencies to monitor, analyze and respond to inter-relationships or anomalies in their data and create real-time intelligence for predictive analysis and decision support. Many of Objectivity's government customers are performing data fusion

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from geospatial and sensor data. Others are storing and correlating vast amounts of disparate information such as text, images, video and voice for investigation or security and intelligence applications. Additional government agencies where Objectivity/DB has experienced significant success include the Department of Defense (DOD) and the Department of Energy (DOE), which has generated the world's largest database, currently storing 895 Terabytes of information in Objectivity/DB.

GSA Contract and New Highly Scalable Product

Earlier this year, Objectivity was awarded a Federal Supply Schedule (FSS) contract by the General Services Administration (GSA), making it easy for government agencies to procure Objectivity/DB, quickly and cost-effectively. The company also launched Objectivity/DB 9.0, the first commercially available database that is scalable to the Exabyte-range for VLDB customers who are building today's mission-critical data fusion applications for finding the "needle in the haystack".

Recent Customer Wins

Recently, Objectivity announced that Los Alamos National Laboratory selected Objectivity/DB for its Alexandria Project simulation information tracking framework. The company also announced an agreement with Ontology Works, Inc. to sell its Objectivity-based High Performance Knowledge Server™ (HPKS) for managing large volumes of information with high model complexity and query performance. Additionally, AWD Germany expanded its administrative enterprise system (EVS) built on the Objectivity/DB platform, plus Osmose Utilities Services, Inc. deployed Objectivity/DB in FastGate Manager, a new application for electric and telecommunications utility companies and transportation markets. In addition, Objectivity was selected by Leader Technologies, Inc. for the Leader2Leader® application which is a web-based system that lets organizations capture and store their most valuable asset, intellectual capital.

"We anticipate increasing momentum in the government sector as our government agency customers team to solve their common security challenges," according to Jarrell. "The Objectivity solution is gaining favor as the unique, high-end data repository for real-time

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knowledge-based and data fusion applications. We see domestic and ally government agencies collaborating on their respective security and intelligence needs using Objectivity/DB. Additionally, we're also experiencing increased revenues from our traditional markets worldwide,"

Exceeding Plan

"Objectivity is growing significantly and has surpassed our financial plans and objectives for FY'05," adds Jarrell. "We exceeded our expectations for revenue, income and cash for the Fiscal Year as a result of our customer-centric approach to our market. This approach has been supported by our exceptional sales engineering and customer support talent which was named the industry's "best and brightest" during a recent customer survey. We also remain committed to delivering the market's most scalable repository platform that is perfectly suited to the successful deployment of next generation complex data management applications."

About Objectivity, Inc.

Objectivity, Inc. is the leading provider of real-time object-oriented databases for managing complex inter-related data. The company's flagship product, Objectivity/DB, manages and analyzes very large volumes of complex data for event and relationship processing within mission-critical applications. These applications are developed by ISVs, OEMs and end-users in process control, medical and telecommunications equipment, government, ontology, financial services, and knowledge management. Objectivity/DB enables organizations to monitor, analyze and respond by identifying inter-relationships or anomalies providing real-time intelligence for predictive analysis and decision support.

Objectivity, Inc. is headquartered in Sunnyvale, Calif., USA. For more information, contact the company by sending e-mail to info@objectivity.com, visiting <http://www.objectivity.com> or calling (408) 992-7100.

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