



Prophecy

Prophecy Xmas Gift

Prophecy staff delivered a Christmas gift worth more than \$400 to the Salvation Army in December 2002.

The staff donated groceries to the annual Christmas Appeal, held by the Salvation Army to assist its work with the needy, which included a free Christmas dinner for the poor.

As part of casual days at the company's Adelaide head office, staff members made the donations each month.

Prophecy's people were delighted to discover that a small, sustained activity such as 'going casual' once a month, could make a difference to those in need. 🍎



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Prophecy International clients have responded strongly to an initiative that enables them to upgrade legacy technology without high costs or business disruption.

The 'e-Foundation over Classic' initiative is providing Prophecy customers with an innovative solution to the challenges presented by operating legacy business systems, some of which were installed over a decade ago.

Prophecy CEO Alan Greig said the value proposition was about delivering a Return on Existing Investment (ROEI). "One of the biggest challenges in today's market is getting businesses to invest in new systems. Our Customers are happy to retain our legacy products because they do the job. Where we can help is in the presentation of the information, web enablement of business processes and improved accessibility of data," he said.

"Our 'e-Foundation over Classic' initiative enables them to modernise the

look, feel and performance of Prophecy Classic installations without the cost or disruption of replacing the entire system."

Prophecy has achieved this ROEI breakthrough with the release of two new business solutions, Framework over Classic and Framework over Legacy Systems. The use of e-Foundation products, Framework and e-Portal, increases the Return on Existing Investment by:

- Delivering greater ease of use through a customised Graphic User Interface (GUI)
- Creating brand new queries and better tailored existing queries
- Web-enabling the current system for e-business applications.

Mr Greig said the 'e-Foundation over Classic' initiative went well beyond a simple face-lift for Prophecy Classic. "It extends the rich functionality of Classic from the finance department to the entire enterprise," he said.

For full details about how Prophecy client First Group is benefiting from the e-Foundation initiative, please turn to page two. 🍎



... ALAN GREIG AS CHIEF EXECUTIVE OFFICER ... ALAN GREIG AS

Firm Hand Takes Reins

Prophecy International has confirmed its new direction with the appointment of Alan Greig as Chief Executive Officer.

After a three-month interim role following the sudden departure of former CEO Bruce Lakin, the Prophecy board of directors chose Mr Greig as the best person to lead the company back to profitability.

After completing a global restructure that aligns Prophecy's corporate operations with the subdued market, Prophecy is now positioned to take advantage of an anticipated upturn.

"We have made the hard decisions that were necessary for Prophecy to match its

structure to the trading environment," he said. "This year is about taking advantage of our strengths and the expected market improvement to return the company to profit."

Mr Greig joined Prophecy in 1991 to build the international distribution network that laid the foundation for the enormous success of Prophecy Classic. He has held the position of World Wide Sales Director and prior to taking on the Group CEO role was Chief Executive, Australia, Asia and Africa. He has been a Board Director since its public listing in 1998.

Mr Greig said his goal for 2003 was to return Prophecy to profitability. "We have the focus, the products and the people to deliver a sustainable positive result in the future," he said.

First Group Chooses 'e-Foundation over Classic'

The e-Foundation initiative has already delivered success for UK-based transport company, First Group.

First Group, which has bus and rail operations in the UK, USA and Canada, operates five Prophecy Classic sites with more than 200 users.

Prophecy UK demonstrated to First Group how 'e-Foundation over Classic' would simplify current processes for activities such as matching purchase orders, cheque reconciliation, integrating with Excel, report writing, browser layouts and deployment to the web.

For First Group, 'e-Foundation over Classic' extends the expected lifetime of its Prophecy Classic implementation by at least three years. The increased functionality also promises significant savings that would deliver a payback period of less than 12 months.

Prophecy International Worldwide Director, Business Alliances, Mr Joe Slattery, said the success of Prophecy Classic provided a huge potential market for the 'e-Foundation over Classic' initiative. "In the UK alone, dozens of local government sites run a version of Prophecy Classic," he said.

"A recent poll of these sites has identified that they want to retain the functionality of their current Classic systems, but integrate this with the Web. Our 'e-Foundation over Classic' initiative can deliver this at a marginal extra cost and minimal disruption."

The IBM Advantage

... IBM PASSPORT ADVANTAGE PROGRAM ... IBM PASSPORT ADVANTAGE PROGRAM



Prophecy International has received accreditation as an advanced member of IBM's Passport Advantage Program.

On February 4, IBM announced that Prophecy International had obtained technical and sales certification, enabling IBM to promote and resell Prophecy's latest application development tool, Velatte, on a global basis. Velatte currently operates in the IBM WebSphere and DB2 environments.

As one of only four international companies offered this status, Prophecy's agreement enables IBM to promote and sell Velatte through its 5 American value-added distributors and 22,000 international resellers. Initial focus is on the US and Australia, then progressively through worldwide territories.

Prophecy expects that sales from this agreement will contribute substantially to Prophecy's revenues in the 2003-04 financial year.





Prophecy Picks New Numbers Man

Prophecy International has appointed experienced management accountant Geoff Crook to revamp its global financial reporting systems.

As Group Accountant, Mr Crook will play a key role in the preparation of financial reporting to Prophecy's Board as well as undertaking a substantial redevelopment of the company's global reporting systems. "Prophecy needed someone to improve its worldwide operational and Board reporting," he said.

"I have always enjoyed working with numbers and my innate nosiness ensures the smallest of details do not get past me. The role at Prophecy gives me the opportunity to roll up my sleeves and get into the job I love doing."

An Honours graduate from Warwick University in the UK, Mr Crook has held positions in London including Financial Controller for Auxinet plc, Management Accountant for Timothy Benn Publishing Limited and an audit role with the Thames Valley office of international accounting firm Grant Thornton. 🌐

IT Leaders Agree on Lift

... IT INDUSTRY PICKS UP MOMENTUM ... IT INDUSTRY PICKS

Australian business leaders agree that 2003 will bring an improvement in the business environment after an unprecedented two-year downturn in the IT market.

These IT executives, working in sectors as diverse as the investment, retail, transport and manufacturing industry, agreed that success in 2003 would be about rewarding return on investment rather than simply sexy software.

Prophecy International CEO Alan Greig was quoted in newspaper and radio reports as saying that companies were seeking to leverage their existing IT investments. "Businesses will be looking more for a return on investment from their existing technology rather than buying new technology because it is new," he said.

"The years of the technology chase are past and vendors have to demonstrate an investment benefit more so than ever."

Mr Greig said the Java development tool market was of particular significance to Prophecy. "This is expected to experience significant growth in 2003 and beyond," he said.

"More and more companies are adopting Java as the platform of choice as it offers huge flexibility especially for web based applications."

The IT industry is generally expected to pick up momentum this year, with the

economic robustness in Australia, and the business opportunities that produces, leading the US.

"Successful vendors will have to demonstrate more than just technology," said Mr Greig. "I expect the Australian market to start picking up in the first and second quarters of 2003."

"We predict a significant change in the way people traditionally see the IT industry. There is a big push, mainly from the IT industry, towards web services, which is where someone can actually use a software application that already exists somewhere else in the world.

"The big challenge ahead is to provide what the customers are looking for, and fundamentally they are looking for a better return on their existing investment in IT, rather than going out and buying the latest piece of glitzy technology.

"Our focus will be doing exactly that, looking at how we can help existing and new customers use what they've already got and expand it, build on it and 'webify' it, to bring them into the internet world. That's the future for Prophecy in 2003." 🌐

Experts Expect Upturn

International research group IDC predicts the Asia-Pacific Information & Communications Technology market will grow by 11 per cent this year.

In its annual prediction report on the region, which excludes Japan, IDC suggested infrastructure upgrades would drive a "cautious gradual IT market recovery".

The market was expected to be worth US\$81 billion in 2003, a \$4 billion jump from last year.

Looking beyond 2003, IDC Asia/Pacific managing director Piyush Singh said: "the industry will enter a new decade of growth driven by personal intelligent gadgets, pervasive connectivity, mobility, seamless information exchange and bio-informatics.

"The average ICT market growth in the next decade will be lower than the average

market growth experienced in the last decade. The ICT industry will have to adapt its expectations to this new reality," he warned.

The upturn prediction reinforces a December survey of 85 CIOs, who hold the technology purse strings of global corporations, by international investment banking and securities firm UBS Warburg.

The survey suggests these CIOs expect technology spending globally to grow by four per cent in 2003 over the previous year. They also anticipate software spending to exceed hardware outlays. 🌐

Research Holds Marketing Key

... PETA COWAN ... PETA COWAN ... PETA COWAN ...



Prophecy International has appointed IT marketing specialist Peta Cowan to the key position of Marketing Manager.

A Bachelor of Management graduate from the University of South Australia, and currently studying the MBA at Adelaide University, Ms. Cowan has previously held roles with consulting firm BDO Consulting, McGregor Tan Research and web development company NetSpot.

"Research holds the key to unlocking the real potential of Prophecy's offering," she said. "As well as working with a world-class Research and Development team, my brief is to clearly identify what our clients need and how Prophecy is able to satisfy those requirements, now and in the future."

Ms. Cowan is responsible for group marketing and communications in the Asia-Pacific region. She is also responsible for developing Prophecy's marketing collateral and supporting the UK and US Region sales teams through a range of demand creation and brand development activities. 📧

E-mail or Snail-mail: What's your preference?

The insight newsletter is published bimonthly to keep our shareholders and customers informed about the exciting events happening at Prophecy International. Currently, Insight is sent to you via the post however, we understand people prefer to receive the Insight Newsletter in different ways, depending on when and where you read it. You can opt to receive Insight via email or you can download it from the Prophecy website – we will email you when the new Newsletter is online.

To change the way you receive Insight please email marketing@prophecy-open.com.au with your preference. 📧



Suggestion Box

If you have any questions or comments relating to the articles please contact Peta Cowan by phone on 8364 4411 or peta.cowan@prophecy-open.com.au

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Montreal University Picks Perpetual Classic

Leading Canadian centre of learning, the University of Montreal, has extended its decade-long relationship with Prophecy International by signing a perpetual licence for Prophecy Classic.

The agreement enables the Quebec-based university to continue using the powerful financial products for its ongoing business management.

With more than 50,000 people in 13 faculties, the University of Montreal offers one of the broadest arrays of programs in North America with more than 250 undergraduate programs and over 250 graduate programs, including 71 doctoral

Université de Montréal

programs, covering general, scientific and professional areas.

The University of Montreal, which first began using Prophecy Classic in 1994, has undertaken substantial modifications to the solution to meet its specific needs.

This has included translating the software's base delivery text into French, to meet the requirements of the bilingual province.

Prophecy Americas Executive Vice President and General Manager Peter Barzen said the perpetual licence provided the University of Montreal with full rights to maintain Prophecy Classic well into the future. 📧

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