



Prophecy

Prophecy International Holdings Ltd.

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COMPANY ANNOUNCEMENT 21ST December 2009

PROPHECY SIGNS AGREEMENT TO PURCHASE PROMADIS PTY LTD

Prophecy international Holdings Limited (ASX Code: PRO) (**Prophecy**) has signed a Sale Agreement to purchase 100% of the shares in the Australian software company, Promadis Pty Ltd. In a cash and shares transaction, Prophecy has acquired 100% of Promadis for an initial outlay of \$560k cash plus the issue of 900,000 Prophecy shares. (750,000 of those shares will be held in escrow for a period of 12 months from settlement). In addition, an earn out formula is payable, relating to future profits in excess of set targets over a 3 year period.

Promadis owns the intellectual property in four specific and competitive software products which are capable of significant growth. The products are Promadis Cardiology, including a patient medical records module, a heart failure module and consultation module, all linked to the Promadis Practice Management System for billing. Promadis Caseman and CSI covers wide ranging capabilities in the area of Forensic Science Laboratory case management and Police crime scene case management. Promadis Births Deaths and Marriages solution, provides the vital record keeping and statistics for Registry offices that are at the forefront of social management. Promadis Business solutions cover a well proven family of modules for financial management, distribution, transport and manufacturing operations.

Prophecy believes that these products can be taken to the world markets through a partner network and thus enhance the value of the acquired intellectual property. The staff coming on board, as a result of the transaction, have excellent technical skills which will add to the pool of resources that can be brought together for group projects.

In a full year of operation, Prophecy expects Promadis to initially generate revenues of \$2m and profit before tax of \$400k. Prophecy believes that excellent growth is available by taking the new products to world markets with a strong marketing campaign via partners. The Promadis business will continue to operate as a separate entity, but as a wholly owned subsidiary of Prophecy. The skills that Prophecy has built in taking products to the world will be utilised in the planned expansion of markets for the acquired software products.

The management of the Promadis is looking forward to the new investment and access to expertise to drive growth, and realize the potential of its intellectual property. Being part of a larger group, as well as a listed company, will bring with it more opportunity than was previously possible. Prophecy looks forward to having the new team as part of its group and is looking forward to attacking the new markets opened by the acquisition of these technologies. Darren Shaw, CEO of Promadis says "The added investment Prophecy will provide, will allow us to make important additions to specialist staff, while also funding the development of domestic and international sales channels. Also, we now have access to the expertise of a management team who have considerable experience in successfully marketing software internationally. This is certainly an exciting phase for the team at Promadis"

Settlement of the transaction is expected to be completed in early January 2010.

For any further information please contact Ed Reynolds, Chairman of Prophecy.



Ed Reynolds
Chairman

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For more details visit basis2.com
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