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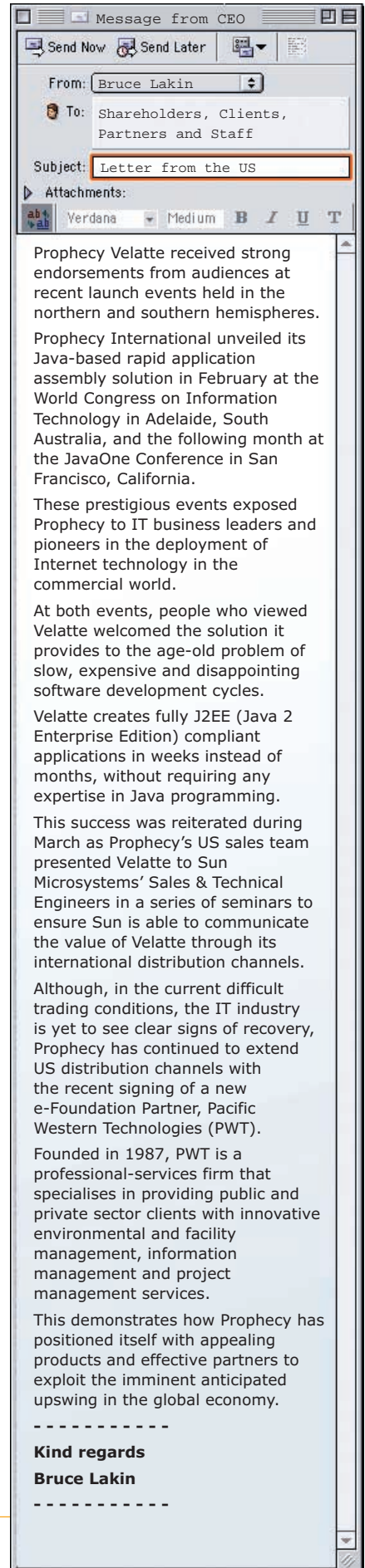
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Velatte Launches Hold J2EE Appeal

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Prophecy International has received overwhelming interest in Velatte since the breakthrough product was unveiled at the World Congress on Information Technology 2002.

During the opening day of the global IT conference, Prophecy demonstrated to a packed audience how Velatte could dramatically reduce the cost, complexity and risk of designing a fully Internet-enabled business application.

The World Congress launch spurred strong demand for follow-up evaluation workshops.

Prospects include software development companies from India, the US and Australia as well as business partners including Sun and IBM. There was also strong interest from Federal and State Governments as well as multinational corporations.

Alan Greig, Chief Executive, Prophecy Australia Asia & Africa, said Java was attracting widespread interest because it

was a vendor-neutral, natural environment for web applications.

"There's an expectation in the market that whatever their next project is will be Java, but there's an awareness of risks of programming with Java," he said.

Underpinning the value of Velatte is this universal attraction to the Java programming language, which creates software that is totally independent of the underlying computer hardware infrastructure.

However the low level at which Java operates can incur huge software development costs and project risk, even for companies that can find Java-savvy developers.

Velatte is designed to embrace the J2EE (Java 2 Enterprise Edition) standard, which describes a platform that enables enterprise-level organisations to deploy Java applications in a collaborative manner.

The overwhelming interest at the World Congress Prophecy launch was focused on how Velatte eliminated the requirement for Java skills in order to design web-enabled Java applications.

For more information, please visit our website www.velatte.com



Services Revenues Grow Strongly

Prophecy International posted more than 20 per cent growth in service-related revenues in July-December 2001, compared to the corresponding period in 2000.



Triasolve Boosts British Sales and Service Coverage

Prophecy International has dramatically extended its presence in the large UK market by appointing a successful company in the booming north of England.

The company Triasolve – a newly formed division of Corporate Microsystems Ltd – will sell Prophecy’s applications and development tools to clients in the corporate, enterprise and government markets throughout the UK. During the past year, Corporate Microsystems Ltd has recorded phenomenal growth in the north of England, a region that is booming due to incentives for new companies to establish a presence there.

For Prophecy Europe, the appointment of Triasolve represents the first step in an aggressive push to appoint new partners to extend its distribution network throughout Europe and UK.

Prophecy Europe’s Head of Regional Alliances, Alan Wakeman, said Triasolve and its parent company Corporate Microsystems had a substantial and credible presence in the emerging area north of England “Already we have strong prospects in areas that include manufacturing, retail, financial services and even, museums,” he said.

“As the north of England is very much emerging, that’s an obvious target. We’ve made a very good start in terms of coverage. Triasolve is totally dedicated to taking the Prophecy suite of products to the market. This is the core of its business.”

A strong attraction for Triasolve was the breakthrough Prophecy Velatte product, the company’s world-leading Java based rapid application assembly tool, which allows companies to design and deploy Internet-enabled applications in weeks instead of months.



... PROPHECY SERVICES BOOM ... PROPHECY SERVICES BOOM

The company’s Consulting & Training revenue increased to \$1.4 million – up from \$1.1 million – representing growth of some 23 per cent in a challenging trading environment.

Prophecy International Chief Financial Officer & Company Secretary Paul Turner said that revenue had come from “all points of the globe”, especially Australia and the US.

“In the US, we’ve done work for an

Education Department project managed by EDS,” he said.

“Locally, we’ve had ongoing success with ANZ Asset Finance, Revenue SA and the Department for Water Resources, which was a win in the half year.

“A staff reorganisation has established a dedicated consulting team, so for the balance of this year, we expect to see it grow both in absolute terms and as a percentage of revenues.”

... HALF-YEAR RESULTS ... HALF-YEAR RESULTS ... HALF-YEAR RESULTS

Prophecy Reports Improved Results

In the six months to Dec 31, 2001, Prophecy International Holdings Pty Limited achieved a 30 per cent improvement in before tax result when compared to the same period last year.

Prophecy reduced expenditures by 14 per cent while cash reserves remained strong with \$8.3m on hand at December 31. Cash flows from the operating activities were a positive \$0.58m for the half.

A before tax loss of \$1.6m compares favourably with the loss of \$2.2m suffered in the previous comparable period, showing a 30 per cent improvement.

The release of Velatte will offer the potential for substantial new revenue streams with exciting interest already expressed from major world players.

More details are on our website at www.prophecyopen.com



Competing in the Age of Hypercapitalism

... GLOBAL TRENDS ... GLOBAL TRENDS ... GLOBAL TRENDS

Best-selling trends author and international business analyst Don Tapscott was an outstanding speaker at this year's World Congress on Information Technology, at which Prophecy International was a key sponsor. The following article reports comments made by Mr Tapscott during his presentation.

The fall of the dotcoms. Technology industry turmoil. The upheaval in capital markets. The horrific events of September 11th and their aftermath, including war, restricted mobility, fear and economic disruption. When will things get back to normal? Don Tapscott says they are. This is the new normal.

This is a time of great peril but also of opportunity – for competitiveness and for global economic and social development. Don Tapscott argues that capitalism is changing profoundly. Companies that understand this and develop strategies to respond can thrive – and those that don't are failing.

Don Tapscott argues that companies should not throw out the baby with the dotcom-bathwater, explaining that capitalism is changing profoundly in five ways:

1. A new infrastructure for wealth creation is emerging as the Net evolves into the pervasive, networked Hypernet, reducing the costs of collaborating, contracting and executing transactions between firms so dramatically that the vertically integrated corporation is an obsolete business model.
2. New Business Models – Business Webs are the emerging model for wealth creation and successful commerce.
3. There is a New Capital Market requiring new approaches to financial engineering. Intellectual Capital is also changing as people and knowledge become networked – requiring new approaches to developing intangible assets. A new generation of youth, now entering the workforce, is also a huge force for change.

4. There is wealth contained in Relationship Capital as new approaches to marketing enable deep relationships to be forged. Managing this capital is one of the most important emerging challenges facing any business.

5. Is a New Society emerging based on this changing economic environment? In addition to the old corporation, other institutions are being challenged like never before – including education and governments.

For decades, the starting point for strategic thinking has been the standalone vertically integrated corporation. These powerful companies did everything from soup to nuts and dominated the competitive landscape.

Now, new business models are bringing new meaning to the concept of relationships. Companies can now focus on their core capabilities and partner to do the rest.

The 21st century economy will be based on business webs (b-webs): fluid systems of suppliers, distributors, commerce services providers, infrastructure providers, and customers that use the Net for their primary business communications and transactions.

There are vast new opportunities to improve the performance and effectiveness of government by harnessing the power of information technology, particularly the Internet.

Partnerships between government and external organizations that were previously impossible are beginning to materialize, delivering new value propositions to citizens.

Ultimately this promises to change the nature of democracy and the relationship between citizens and the state – for the better. 🌐

e-Foundation earns Credit from ANZ

ANZ Asset Finance has successfully gone live with an Internet-enabled business system based on the Prophecy e-Foundation solution.

ANZ Asset Finance have developed an e-Foundation based credit application and management system to replace their legacy systems. The new system will allow the introduction of new products and services in rapid time. The Internet-enabled credit application system is designed to allow prospective customers and car dealers to apply for finance through a website, which is connected with the company's new business systems.

The successful collaboration has seen Prophecy International working with and mentoring software developers at ANZ IT, which is based in Bangalore, India. 🌐

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