

22 February 2012

Praemium FY2012 Half-Year Results

Praemium Limited (ASX:PPS) has released its results for the half year ending 31 December 2011. In summary the Group's results were:

- EBITDA loss before restructure costs was \$1.65 million, a 12% improvement on H1 FY10;
- Net Loss Before Tax was \$3.3 million. Excluding one-off items the Group's half-year loss was \$1.84 million, a 15% improvement on December 2010's half year; and
- Cash at 31 December 2011 was \$5.0 million with no debt.

Commenting on the half year results, CEO Michael Ohanessian noted "Our trading results have improved from the restructure implemented in September 2011. As a consequence, we have effectively halved our cash burn having achieved annualised cost savings of \$3 million per annum. The profitability of the Australian business is now in a much stronger position and allows us to focus on longer term strategic opportunities. The 2012 year promises to be an exciting one for Praemium as regulatory changes take effect in both Australia and the UK."

About Praemium: Praemium Ltd (ASX:PPS) is one of Australia's leading suppliers of online financial portfolio administration and Separately Managed Account (SMA) technology, administering in excess of AUD42 billion-FUA* of assets in Australia and with more than £324 million-UK FOP* in funds on the platforms it operates in the UK. Praemium currently provides services to approximately 485* financial institutions and intermediaries, including some of the world's largest financial institutions.

*As at 31 December 2011

For further information contact:

Mr Michael Ohanessian, CEO +61 413 549 122

Præmium Ltd Half-Year Financial Report & Appendix 4D

31 December 2011

CONTENTS

Appendix 4D ASX Release

Results for announcement to the market	3
---	----------

Half Year Financial Report

Directors' Report	6
Directors' Names	6
Review of Operations	6
Auditor's Independence Declaration	12
Accounts for the Half year ending 31 December 2011	13
Consolidated Statement of Comprehensive Income	13
Consolidated statement of Financial Position	14
Consolidated Statement of Changes in Equity	15
Consolidated Statement of Cashflows	16
Notes to the Accounts	17
1 Statement of Significant Accounting Policies	17
2 Segment Reporting	18
Directors' Declaration	21
Independent Auditor's Review Report	22

APPENDIX 4D

ASX HALF-YEAR REPORT

Name of entity:	Præmium Limited
ABN:	74 098 405 826
Reporting period:	Half-year ended 31 December 2011
Previous corresponding period:	Half-year ended 31 December 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET

RESULTS

Revenue from ordinary activities	decreased 14.2% to 5,992,314
Loss from ordinary activities after tax attributable to members	decreased 5.1% to (2,058,669)
Net loss for the period attributable to members	increased 50.5% to (3,262,693)

Dividends	Amount per security	Franked amount per security
Current period	-	-
Ordinary dividend	-	-
Previous corresponding period	-	-
Ordinary dividend	-	-
No dividends are proposed for the period		

BRIEF EXPLANATION OF THE FIGURES REPORTED ABOVE:

Refer to the attached Half-Year Report (Directors' Report – Review of Operations section), for commentary on the half-year results.

Præmium Limited

ACN 098 405 826

Appendix 4D

NOTES TO APPENDIX 4D – FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NET TANGIBLE ASSETS PER SECURITY

	Current period	Previous period
Net tangible asset backing per ordinary security	2.4 cents	2.4 cents

CONTROL GAINED OVER ENTITIES HAVING A MATERIAL EFFECT

Name of entity (or group of entities)	N/A
---------------------------------------	-----

LOSS OF CONTROL OF ENTITIES HAVING A MATERIAL EFFECT

Name of entity (or group of entities)	N/A
---------------------------------------	-----

ADDITIONAL DIVIDEND INFORMATION

Details of dividend declared or paid during or subsequent to the current period or the previous corresponding period are as follows:

Record date	Payment date	Type	Amount per security	Franked amount per security	Total dividend

DIVIDEND REINVESTMENT PLAN

Not applicable.

Præmium Limited

ACN 098 405 826

Appendix 4D

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Name of entities		
	Current period	Previous period
Consolidated entity's percentage holding in each of these entities	-	-
Aggregate share of profits after tax of these entities	-	-
Contribution to net profit after tax	-	-

COMPLIANCE STATEMENT

This report is based on financial statements reviewed by the auditor, copies of which are attached.



Michael Ohanessian
Chief Executive Officer
21 February 2012

DIRECTORS' REPORT

The directors present this report, together with the condensed financial report for the half year ended 31 December 2011, and an independent review report thereon. The consolidated entity consists of Præmium Limited and the entities it controls. This financial report has been prepared in accordance with Australian & International Financial Reporting Standards.

DIRECTORS' NAMES

The names of the Directors of the Company during or since the end of the half year are:

- Mr Bruce Parncutt (appointed as Chairman 19 August 2011)
- Dr Don Stammer – Non-Executive Director (stepped down as Chairman 19 August 2011)
- Mr Robert Edgley – Non-Executive Director
- Mr John Bryson – Non-Executive Director
- Mr Peter Mahler – Non-Executive Director (appointed 20 December 2011)
- Mr Arthur Naoumidis – Executive Director (resigned 8 August 2011) ¹
- Ms Cathryn Nolan – Executive Director (resigned 19 August 2011) ²

¹ Mr Arthur Naoumidis also resigned as Chief Executive Officer on 8 August 2011. Mr Michael Ohanessian commenced as Chief Executive Officer on 9 August 2011.

² Ms Cathryn Nolan resigned as Company Secretary & General Counsel on 26 September 2011.

REVIEW OF OPERATIONS

COMPANY OVERVIEW

Præmium was founded in 2001 to meet the technology needs of a rapidly growing direct equity investments market. Præmium's range of portfolio management services is used by accountants, financial advisors, stockbrokers, self-managed super fund administrators and large institutions who usually rebrand and package the services for their own customers. Præmium launched in the UK in 2006, shortly after the Company was listed on the Australian Stock Exchange. Its first UK product, SMARTfund, was delivered to market in November 2008. In the UK today Præmium offers both SMARTfund and Discretionary Platform Service (*dps*).

Præmium is a software provider of investment portfolio technology with strengths in multi-asset administration, particularly direct equities. Our technology specialises in corporate action processing, CGT optimisation, and sophisticated tax and investment reporting. In Australia this is branded as V-Wrap, and this core technology also underpins our Separately Managed Account (SMA) technology. In the UK, our SMARTfunds are Authorised Unit Trusts (AUTs) that incorporate our proprietary SMA technology to deliver a cost-efficient and transparent retail fund via an online investment platform. Our other UK product, *dps*, provides advisors and wealth managers with a transparent end-to-end discretionary investment management solution for their clients.

Præmium Limited

ACN 098 405 826

Directors' Report

Half Year ended 31 December 2011

FINANCIAL SUMMARY

Financial Metrics

RESULTS SUMMARY	H1 FY12	H1 FY11	Change	Change
	\$'000	\$'000	\$	%
Revenue	5,992	6,987	(995)	(14%)
Expenses	7,642	8,855	(1,213)	(14%)
EBITDA (before Restructure Costs)*	(1,650)	(1,868)	218	12%
EBITDA	(2,854)	(1,868)	(986)	(53%)
Net Loss before Tax	(3,263)	(2,168)	(1,095)	(50%)
Cash	5,046	4,644	402	9%
Net Assets	7,109	5,494	1,615	29%
Operating Cashflow (before Restructure Costs)*	(3,075)	(3,001)	(74)	(2%)
Operating Cashflow	(4,279)	(3,001)	(1,278)	(43%)

Service Metrics

REVENUE by REGION	H1 FY12	H1 FY11	Change	Change
			\$	%
Australia Revenue (\$'000)	5,318	6,411	(1,093)	(17%)
Portfolios (V-Wrap)	44,313	43,969	344	1%
Funds Under Administration – SMA (\$M)	490	558	(68)	(12%)
UK Revenue (\$'000)	675	576	99	17%
Funds on Platform - UK (£M)	£324	£206	£118	57%

* Restructure costs were \$1.2 million for H1 FY2012, as a result of the cost reduction initiatives commenced in September 2011.

Præmium Limited

ACN 098 405 826

Directors' Report

Half Year ended 31 December 2011

COMMENTS ON FINANCIAL PERFORMANCE

Trading Performance

Excluding one-off items, the Group's half-year loss was \$1.84 million, or a 15% improvement on December 2010's half year. This period's result included the following one-off items:

- Restructure costs of \$1.2 million from the Company restructure commenced in September 2011. With the majority of cost reductions for the Australian and UK operations nearing completion, the Company expects annualised savings to be achieved of approximately \$3 million, or a 16% reduction on the FY2011 cost base.
- Write-off of a withholding tax receivable of \$220,602 due to the UK subsidiary not yet being in a position to repay interest on intercompany loan balances.

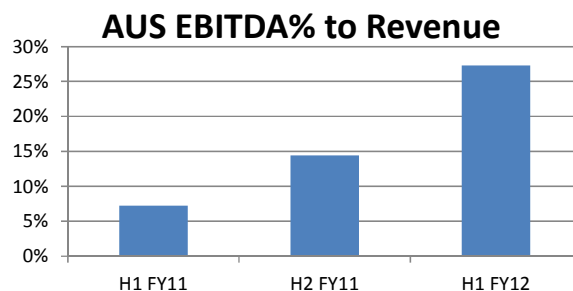
Including the above one-off items, the consolidated loss attributable to the members of the Group was \$3,262,693.

PRAEMIUM GROUP RESULTS by REGION Half Yr to Dec'11	AUS FY11 \$m	UK FY11 \$m	Corporate FY11 \$m	GROUP FY11 \$m
External Revenue	5.3	0.7		6.0
Employee Expenses	(2.5)	(2.4)	(0.1)	(5.0)
Operating Expenses	(1.4)	(1.0)	(0.3)	(2.7)
Total Expenses	(3.9)	(3.4)	(0.4)	(7.7)
EBITDA	1.4	(2.7)	(0.4)	(1.7)
EBITDA%	27%			
Restructure Costs	(1.0)	(0.2)	-	(1.2)
Depreciation	(0.1)	(0.1)	-	(0.2)
EBIT	0.3	(3.0)	(0.4)	(3.1)
NPBT H1 FY12	0.3	(3.2)	(0.4)	(3.3)

The underlying earnings of both the Australian and UK operations have improved post the restructure. Compared with the quarter prior to the restructure, earnings have improved by \$0.7 million for the Australian business and \$0.6 million in the UK.

Ongoing losses of the UK operation, however, continue to be of critical focus in ensuring UK revenue growth translates into improved bottom line performance.

The underlying profitability of the Australian operations continues to improve. There has been a solid uplift in EBITDA as a % of revenue, from 7%* in the half year to December 2010 to 27% in the half year to December 2011. Further improvements in profitability are expected over the balance of the financial year.



*Powerwrap revenue received in September 2010 has been normalised over the full FY2011 year.

Præmium Limited

ACN 098 405 826

Directors' Report

Half Year ended 31 December 2011

The improvement in underlying earnings was achieved despite a decline in revenue compared to the December 2010 half year. H1 2010 revenue included \$1.1 million in fees under the second year of the Powerwrap agreement, which was paid in shares rather than cash. For the current half year, revenue under the third year of the Powerwrap agreement has been recognised only upon cash receipt, with \$100,000 in revenue recognised. In addition, revenue for E*Trade exclusivity ended in June 2011; no revenue has been recognised in this half year compared to \$360,000 recognised in H1 2010.

The price increase on V-Wrap portfolios saw an 18% growth in V-Wrap revenue in the December 2011 quarter compared to the December 2010 quarter.

The Group continues to expense all development costs.

Balance Sheet & Cashflow

The Group's net asset position at 31 December 2011 was \$7,108,769 with \$5,046,191 held in cash or cash equivalents. The Group is debt free. With the restructure effective from early October, net operating cashflows (excluding one-off restructure costs) have been reduced by 28% from (\$1.8 million) for the September 2011 quarter to (\$1.3 million) in the December 2011 quarter. Improvements in cashflow are expected to continue over the balance of the financial year.

CAPITAL RAISING

Following shareholder approval at the Company's Annual Meeting on 17 October 2011, the Company completed a placement to sophisticated and professional investors of 50 million fully paid ordinary shares at 10 cents per share in order to raise \$5 million. The placement was taken up by a number of the Company's larger shareholders and a number of institutional and professional investors new to the Company, as well as the newly appointed CEO and three of the Company's Directors. The placement was managed by BGF Equities. The capital raising provided the Company with capital required to implement short-term cost-efficiency initiatives and to support longer-term growth plans.

Præmium Limited

ACN 098 405 826

Directors' Report

Half Year ended 31 December 2011

SIGNIFICANT ACHIEVEMENTS

AUSTRALIAN OPERATIONS & BUSINESS

V-Wrap

While V-Wrap's portfolio growth remained static, revenue has increased by 10% compared to the December 2010 half year as a result of price rises implemented in September 2011. Whilst organic growth (growth in portfolios by existing clients) was reasonably strong, portfolio closures have continued as investors seek defensive investment positions at the expense of direct equities due to ongoing financial market concerns. Despite these difficult market conditions, V-Wrap continues to demonstrate unrivalled value and functionality for investors seeking cost-effective and transparent portfolio administration solutions in equities markets.

Praemium is continuing to support and develop V-Wrap, the Company's flagship product since its launch in 2002. As part of Company's restructure in September 2011 our sales team has refocused on maintaining V-Wrap's leadership position in Australia, both through emphasis on organic growth and by targeting larger client opportunities.

Separately Managed Account (SMA)

Præmium's SMA technology continues to be deployed by BlackRock Investment Managers (Australia) Ltd. Funds under administration (FUA) for BlackRock's Customised Portfolio Service declined by 12% to \$490m for the December half year, reflecting investor uncertainty in the equities market.

SMARTWrap

During the December 2011 quarter the sales promotion of SMARTWrap, a superannuation and investment platform administered by Powerwrap, was consolidated into Powerwrap. Præmium will continue to provide technology and software support in relation to this product, and will continue to derive revenue under its existing agreement with Powerwrap.

Præmium Limited

ACN 098 405 826

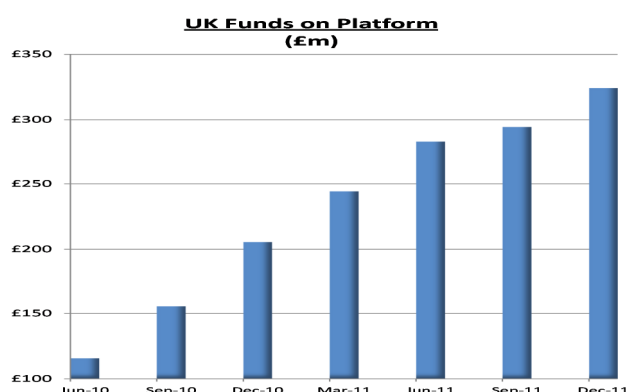
Directors' Report

Half Year ended 31 December 2011

UK OPERATIONS & BUSINESS –

In the UK the Company has concentrated on the development and distribution of services that rely on our proprietary SMA technology. Our range of products and services meet the changing requirements of the UK regulatory environment and help advisor firms to improve the efficiency and value of their businesses. This half year the UK business has:

- Grown UK Funds on Platform (FOP) at 31 December 2011 to £324 million, a 57% increase from £206 million at 31 December 2010. While impacted by volatile investment markets in Europe, Præmium's UK business continues to grow from new customers and fund inflows of existing customers;



- Positioned ourselves for the new regulatory environment. With the implementation of the Retail Distribution Review planned for mid-2012, there is growing need for wealth management solutions that comply with the new regulatory regime. Præmium's software systems are compliant with the new regulations and are a practical and cost-effective solution for financial advisors and their investor clients. As such, Præmium expects to see stronger fund inflows through the 2012 year as financial advisors seek to future-proof their businesses; and
- A major new client was signed in the December quarter.

POST BALANCE SHEET EVENTS

Subsequent to period end, 326,667 fully paid ordinary shares were issued to UK staff upon the vesting of performance rights for nil consideration. These new ordinary shares rank equally with the existing ordinary shares on issue. This was announced on the ASX in the Appendix 3B issued on the 10 January 2012.

There have been no other matters or circumstances occurring subsequent to the end of the half year that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 2
215 Spring Street
Melbourne Victoria 3000
GPO Box 4984
Melbourne Victoria 3001

T +61 3 8663 6000
F +61 3 8663 6333
E info.vic@au.gt.com
W www.grantthornton.com.au

**Auditor's Independence Declaration
To The Directors of Praemium Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Praemium Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD

Chartered Accountants



M. A. Cunningham
Partner - Audit & Assurance

Melbourne, 21 February 2012

ACCOUNTS FOR THE HALF YEAR ENDING 31 DECEMBER 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Economic Entity Half Year 2011 \$	Economic Entity Half Year 2010 \$
Revenue	5,992,314	6,987,133
Other income	35,646	35,620
Employee benefits expense	(5,243,064)	(6,252,112)
Depreciation, amortisation and impairments	(230,425)	(268,115)
Legal, professional, advertising and insurance expense	(1,066,271)	(1,366,368)
Commissions expense	(90,012)	(111,234)
Travel expenses	(193,254)	(131,638)
Telecommunication Costs	(92,003)	(100,446)
IT Support Expenses	(368,185)	(387,242)
Net Foreign Exchange (losses)/gains	1,317	(72,950)
Occupancy Costs	(455,942)	(437,166)
Finance Costs	(6,137)	-
Withholding tax not recoverable	(247,481)	(21,403)
Impairment of available-for-sale financial assets	(7,466)	-
Restructure Costs	(1,204,024)	-
Other expenses	(87,706)	(42,407)
Loss before income tax expense	(3,262,693)	(2,168,328)
Income tax expense	-	-
Loss attributable to members of the parent entity	(3,262,693)	(2,168,328)
Other comprehensive income:		
Foreign currency translation reserve	(38,468)	(123,998)
Revaluation reserve	(5,455)	18,455
Other comprehensive income for the half year	(43,923)	(105,543)
Total comprehensive income for the half year attributable to:		
Owners of Præmium Limited	(3,306,616)	(2,273,871)
Basic earnings/(loss) per share (cents per share)	(1.3)	(1.0)
Diluted earnings/(loss) per share (cents per share)	(1.2)	(1.0)

The accompanying notes form part of these financial statements

Præmium Limited

ACN 098 405 826

Accounts for the Half Year ending 31 December 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Economic Entity 31 December 2011 \$	Economic Entity 30 June 2011 \$
Current assets		
Cash and cash equivalents	5,046,191	4,643,958
Trade and other receivables	2,492,858	1,940,686
Total current assets	7,539,049	6,584,644
Non-current assets		
Other receivables	-	220,602
Financial assets	1,728,923	1,740,817
Property, plant and equipment	807,103	982,439
Total non-current assets	2,536,026	2,943,858
TOTAL ASSETS	10,075,075	9,528,502
Current liabilities		
Trade and other payables	2,487,115	3,077,238
Provisions	402,735	846,779
Total current liabilities	2,889,850	3,924,017
Non-current liabilities		
Provisions	76,456	110,719
Total non-current liabilities	76,456	110,719
TOTAL LIABILITIES	2,966,306	4,034,736
NET ASSETS	7,108,769	5,493,766
Equity		
Share capital	55,455,564	50,498,731
Reserves	(904,529)	(825,392)
Accumulated Losses	(47,442,266)	(44,179,573)
TOTAL EQUITY	7,108,769	5,493,766

The accompanying notes form part of these financial statements

Præmium Limited

ACN 098 405 826

Accounts for the Half Year ending 31 December 2011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Economic Entity 2011						
	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Revaluation Reserve \$	Total \$
Equity as at July 1 2011	50,498,731	(44,179,573)	(1,466,234)	635,912	4,930	5,493,766
Profit (Loss) for the half year	-	(3,262,693)	-	-	-	(3,262,693)
Other comprehensive income/(loss)	-	-	(38,468)	-	(5,455)	(43,923)
Total Comprehensive income for the half year	-	(3,262,693)	(38,468)	-	(5,455)	(3,306,616)
Transactions with owners in their capacity as owners:						
Issue of Shares	4,835,750	-	-	-	-	4,835,750
Option reserve	-	-	-	85,773	-	85,773
Exchange difference on Option Reserve	-	-	-	96	-	96
Transfer on exercise of options	121,083	-	-	(121,083)	-	-
Transfer on lapsing of options	-	-	-	-	-	-
Sub-total	4,956,833	-	-	(35,214)	-	4,921,619
Equity as at 31 December 2011	55,455,564	(47,442,266)	(1,504,702)	600,698	(525)	7,108,769

Economic Entity 2010						
	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Revaluation Reserve \$	Total \$
Equity as at July 1 2010	44,847,706	(38,756,738)	(1,270,297)	350,275	(13,889)	5,157,057
Profit (Loss) for the half year	-	(2,168,328)	-	-	-	(2,168,328)
Other comprehensive income/(loss)	-	-	(152,448)	-	18,455	(133,993)
Total Comprehensive income for the half year	-	(2,168,328)	(152,448)	-	18,455	(2,302,321)
Transactions with owners in their capacity as owners:						
Issue of Shares	2,764,954	-	-	-	-	2,764,954
Share Issue Transaction Costs	(90,220)	-	-	-	-	(90,220)
Option reserve	-	-	-	(14,611)	-	(14,611)
Option reserve	-	137,896	-	(137,896)	-	-
Sub-total	2,674,734	137,896	-	(152,507)	-	2,660,123
Equity as at 31 December 2010	47,522,440	(40,787,170)	(1,422,745)	197,768	4,566	5,514,859

The accompanying notes form part of these financial statements

Præmium Limited

ACN 098 405 826

Accounts for the Half Year ending 31 December 2011

CONSOLIDATED STATEMENT OF CASH FLOWS

	Economic Entity Half Year 2011 \$	Economic Entity Half Year 2010 \$
Cash from operating activities:		
Receipts from customers	5,722,667	6,243,093
Payments to suppliers and employees	(8,858,146)	(9,150,429)
Restructure Costs	(1,204,024)	-
Interest received	60,584	54,890
Net cash (used by) /provided from operating activities	(4,278,919)	(2,852,446)
Cash flows from investing activities:		
Dividends received	7,363	6,993
Payments for property, plant and equipment	(50,031)	(83,693)
Net cash used in investing activities	(42,668)	(76,700)
Cash flows from financing activities:		
Proceeds from the issue of share capital	5,000,200	2,500,001
Share issue transaction costs	(231,450)	(90,220)
Net cash provided by financing activities	4,768,750	2,409,781
Net cash increase (decrease) in cash and cash equivalents	447,163	(519,365)
Cash and cash equivalents at beginning of year	4,643,958	5,614,270
Effect of exchange rates on cash holdings in foreign currencies	(44,930)	(21,198)
Cash and cash equivalents at end of the half year	5,046,191	5,073,707

The accompanying notes form part of these financial statements

Notes to the Accounts

1 Statement of Significant Accounting Policies

(a) General information

The half-year financial report is a general purpose financial report that covers the consolidated position of Præmium Limited and controlled entities. Præmium Limited is a listed public company, incorporated and domiciled in Australia.

This half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2011 and any public announcements made by Præmium Ltd during the half year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The financial report for this half year is prepared in accordance with the same accounting policies, methods and computations as those used in the financial report for the year ended 30 June 2011.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Basis of preparation

The financial report of Præmium Limited and controlled entities has been prepared in accordance with AASB 134 "Interim Financial Reporting".

(i) Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

The accounting policies set out below have been consistently applied to all years presented, except as noted above.

(ii) Adoption of new and revised accounting standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) which are mandatory to apply to the current interim period. Disclosures required by these standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Præmium Limited

ACN 098 405 826

Notes to the Accounts for the Half Year ending 31 December 2011

2 Segment Reporting

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the executive committee that are used to make strategic decisions. The committee considers performance on a geographic basis and has identified 2 reportable segments, being Australia and the United Kingdom.

(b) Segment information provided to the board of directors

The following tables present information for reportable segments for the half year ended 31 December 2011 and 31 December 2010:

Half Year ending 31 December 2011

	Australia	United Kingdom	Total
	Half Year 2011 \$	Half Year 2011 \$	Half Year 2011 \$
REVENUE			
Total Segment Revenue	5,364,898	674,646	6,039,544
Intersegment Revenue	(115,177)	-	(115,177)
Revenue from External Customers	5,249,721	674,646	5,924,367
EBITDA Profit/(Loss) excluding Group overheads	405,946	(2,842,697)	(2,436,751)
EBITDA Profit/(Loss) including Group overheads	(11,355)	(2,842,697)	(2,854,052)
Interest	60,585	-	60,585
Interest Intercompany and Margin	277,915	(277,915)	-
Depreciation	(149,330)	(81,095)	(230,425)
Unrealised FX	1,317	-	1,317
Unit Trust Income	7,363	-	7,363
Withholding Tax	(247,481)	-	(247,481)
Net Profit/(Loss) Before Tax	(60,986)	(3,201,707)	(3,262,693)
Segment Assets	8,000,704	2,074,371	10,075,075
Segment Liabilities	(1,928,089)	(1,038,217)	(2,966,306)
Employee Benefits Expense	2,666,048	2,577,016	5,243,064
Additions to non-current assets (other than financial assets, deferred tax, post-employment benefit assets, rights arising under insurance contracts)	24,599	25,432	50,031

Præmium Limited

ACN 098 405 826

Notes to the Accounts for the Half Year ending 31 December 2011

Half Year ending 31 December 2010

	Australia	United Kingdom	Total
	Half Year 2010 \$	Half Year 2010 \$	Half Year 2010 \$
REVENUE			
Total Segment Revenue	6,547,100	1,593,213	8,140,313
Intersegment Revenue	(197,636)	(1,017,427)	(1,215,063)
Revenue from External Customers	6,349,464	575,786	6,925,250
EBITDA Profit/(Loss) excluding Group overheads	1,003,305	(2,465,887)	(1,462,582)
EBITDA Profit/(Loss) including Group overheads	598,144	(2,465,887)	(1,867,743)
Interest	54,517	373	54,890
Interest Intercompany and Margin	158,256	(158,256)	-
Depreciation	(189,915)	(78,200)	(268,115)
Unrealised FX	(72,950)	-	(72,950)
Unit Trust Income	6,993	-	6,993
Withholding Tax	(21,403)	-	(21,403)
Net Profit/(Loss) Before Tax	533,642	(2,701,970)	(2,168,328)
Segment Assets	8,453,577	2,187,041	10,640,618
Segment Liabilities	(3,619,652)	(1,506,107)	(5,125,759)
Employee Benefits Expense	4,117,695	2,134,417	6,252,112
Additions to non-current assets (other than financial assets, deferred tax, post-employment benefit assets, rights arising under insurance contracts)	41,722	41,971	83,693

Præmium Limited

ACN 098 405 826

Notes to the Accounts for the Half Year ending 31 December 2011

(c) Reconciliations:

(i) REVENUE

A reconciliation of segment revenue to entity revenue is provided as follows:

	Half Year 2011 \$	Half Year 2010 \$
Segment Revenue	5,924,367	6,925,250
Interest Income from other parties	60,584	54,890
Unit Trust Distributions	7,363	6,993
Total revenue	5,992,314	6,987,133

(ii) EBITDA

A reconciliation of EBITDA to operating profit before income tax is provided as follows:

EBITDA (Loss)	(2,854,052)	(1,867,743)
Depreciation and Amortisation	(230,425)	(268,115)
Interest Revenue	60,585	54,890
Unrealised FX	1,317	(72,950)
Unit Trust Income	7,363	6,993
Withholding Tax	(247,481)	(21,403)
Net Profit/(Loss) Before Tax	(3,262,693)	(2,168,328)

(iii) Segment Assets

The amounts provided to the board of directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment. Reportable segments' assets are reconciled to total assets as follows:

Segment Assets	10,075,075	10,640,618
Total Assets as per the statements of financial position	10,075,075	10,640,618

(iv) Segment Liabilities

The amounts provided to the board of directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. Reportable segments' assets are reconciled to total liabilities as follows:

Segment Liabilities	2,966,306	5,125,759
Total Liabilities as per the statements of financial position	2,966,306	5,125,759

(d) Entity-Wide Information

The entity is domiciled in Australia. The amount of its revenue from external customers in Australia is \$5,249,721 (2010: \$6,349,464) and the total revenue from external customers in other countries is \$674,646 (2010: \$575,786). Segment revenues are allocated based on the country in which revenue and profit are derived.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 13 to 20 in accordance with the *Corporations Act 2001*:

- a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and
- b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and of its performance as represented by the results of its operations and its cash flows, for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Præmium Limited will be able to pay its debts as and when they become payable.

This declaration is made in accordance with a resolution of Directors.



Bruce Parncutt

Chairman

Dated: 21 February 2012

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 2
215 Spring Street
Melbourne Victoria 3000
GPO Box 4984
Melbourne Victoria 3001

T +61 3 8663 6000
F +61 3 8663 6333
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report To the Members of Praemium Limited

We have reviewed the accompanying half-year financial report of Praemium Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Praemium Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Praemium Limited is not in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD

Chartered Accountants



M. A. Cunningham
Partner - Audit & Assurance

Melbourne, 21 February 2012