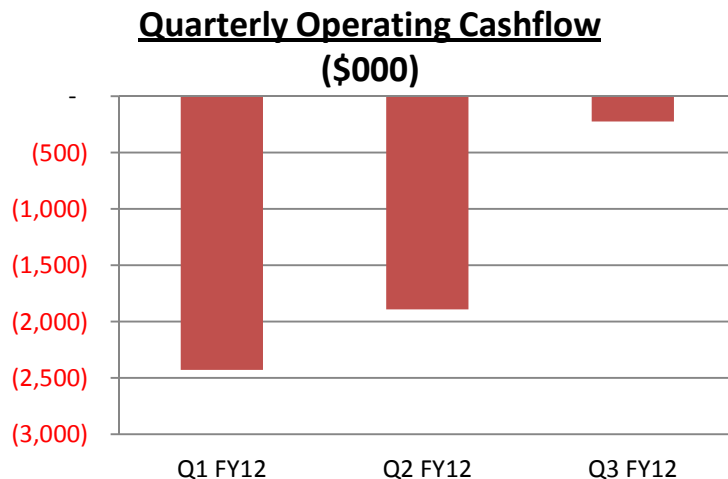


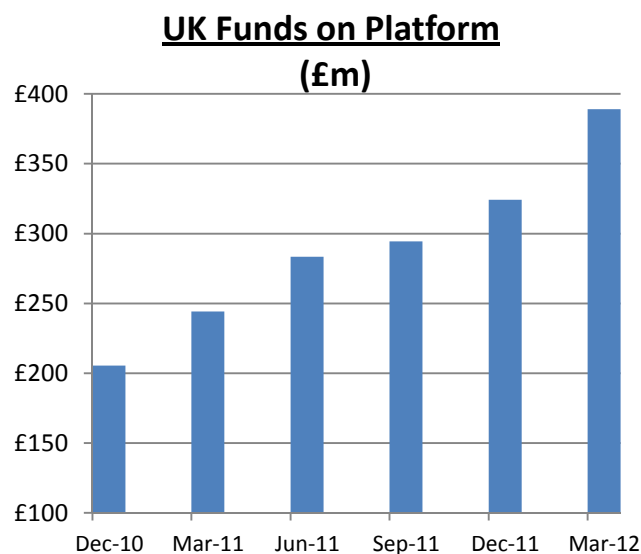
Significant improvement in operating cash flow

12 April 2012, Melbourne: Praemium Limited (ASX: PPS) announced a significant improvement in its underlying cash flow during the March 2012 quarter, compared to the previous two quarters of the 2012 financial year.



Operating cash outflow for the March 2012 quarter was \$226,000 compared to \$1.89 million for the December 2011 quarter. The major driver for the improvement is the cost reduction program implemented in September 2011. The cash balance at 31 March 2012 was \$4.84 million, compared to \$5.05 million at 31 December 2011.

Commenting on the results, Praemium's CEO Michael Ohanessian noted; "We are very pleased with the Company's progress this quarter especially in regard to the company's operating cash position. The Australian business is now generating consistent and sustainable earnings and has held up well in a difficult investment environment. The UK business continues to make excellent progress and delivered a solid uplift in funds on platform, with a 20% increase over the December 2011 quarter (refer graph below). Ensuring we retain sufficient capital to drive our growth initiatives has been a major focus for us and we are now well positioned to benefit from the opportunities being created by regulatory changes in both the Australian and UK markets in which we operate."



Key Statistics

Service	Region	Key Performance Indicator	Mar 2012	Dec 2011	QoQ %	Mar 2011	YoY %
Portfolio Admin Services	Australia	# V-Wrap Portfolios	44,473	44,313	0%	44,458	0%
Separately Managed Account	Australia	FUA	A\$509m	A\$490m	4%	A\$587m	(13%)
Separately Managed Account	UK	FOP	£389m	£324m	20%	£244m	59%

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 £389 million-UK FOP* in funds on the platforms it operates in the UK. Praemium currently provides services to approximately 484* financial institutions and intermediaries, including some of the world's largest financial institutions.

*As at 31 March 2012

For further information contact:

Mr Michael Ohanessian, CEO +61 413 549 122

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Praemium Limited

ABN

74 098 405 826

Quarter ended ("current quarter")

March 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current Quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from customers	3,255	8,977
1.2	Payments for		
	(a) staff costs	(2,172)	(8,309)
	(b) advertising and marketing	(34)	(191)
	(c) research and development		
	(d) leased assets		
	(e) other working capital	(1,319)	(5,087)
1.3	Dividends received	3	10
1.4	Interest and other items of a similar nature received	43	104
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net operating cash flows		(224)	(4,496)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current Quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(224)	(4,496)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(2)	(52)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	(2)	(52)
1.14 Total operating and investing cash flows	(226)	(4,548)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	4,769
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
Net financing cash flows	-	4,769
Net increase (decrease) in cash held	(226)	221
1.21 Cash at beginning of quarter/year to date	5,046	4,644
1.22 Exchange rate adjustments to item 1.20	24	(21)
1.23 Cash at end of quarter	4,844	4,844

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current Quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	70
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

1.24: \$69,866 salaries and benefits to non-executives paid as director fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,355	1,619
4.2 Deposits at call	1,489	3,427
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	4,844	5,046

+ See chapter 19 for defined terms.

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: 
Company secretary

Date: 12 April 2012

Print name: Paul Gutteridge

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.