

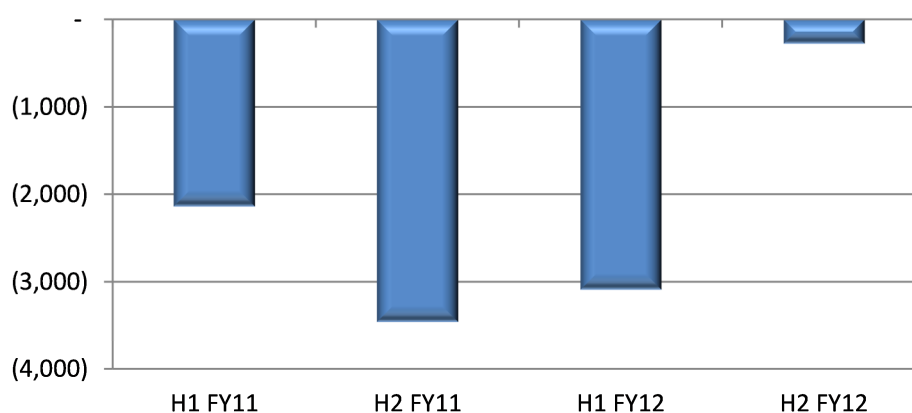
Praemium's FY2012 Preliminary Final Results

21 August 2012, Melbourne: Praemium (ASX: PPS) has delivered its Preliminary Final Results for the financial year ending 30 June 2012. In summary, the Group's results were:

- Revenue and other income remained steady at \$13.1 million when compared with FY2011;
- EBITDA loss before once-off restructuring costs decreased by 68% to \$1.6 million (\$5.06 million loss for FY2011);
- Net loss before tax inclusive of restructuring costs decreased by 28% to \$3.9 million (\$5.5 million loss in FY2011);
- Cash at 30 June 2012 of \$4.7 million with no Group debt; and
- Basic earnings per share increased by 44% to (1.4) cents from (2.5) cents in FY2011.

CEO Michael Ohanessian commented on the year for the Group: "This past financial year we have seen a major step forward in the evolution of our company. We set ourselves the initial target of moving towards profitability by a combination of cost reduction and revenue enhancement. This progress was clearly evident by the second half of the financial year, with our financial results at breakeven EBITDA and a small EBIT loss (outline below)."

Group EBIT (\$'000)



Mr Ohanessian said. "In addition to the turnaround in our financial performance, I am encouraged by the progress we are making in building the business. In the UK, for instance, we have managed to increase our funds on the platform by 45% to over £400 million. We have also expanded our discretionary portfolio service (*dps*) into the international market through Jersey, where we see a tremendous opportunity to leverage our established UK business into this huge potential market."

"In Australia we will continue to expand V-Wrap's menu of features in order to increase its utility to the Financial Planning and SMSF markets. With the advent of Future of Financial Advice (FoFA) regulatory changes we believe that Separately Managed Accounts (SMAs) will become an increasingly important segment in the coming years due to their inherent advantages over traditional managed funds. Our market-leading SMA technology, which is operated by BlackRock, will therefore become an important part of our growth strategy."

A summary of the financial results for the Praemium Group in FY2012 are shown below:

Praemium Group FY 2012	AUS FY12 \$m	UK FY12 \$m	Corporate FY12 \$m	Group FY12 \$m	Group FY11 \$m
External Revenue	11.1	1.9		13.0	13.0
Employee Expenses	(5.1)	(4.6)	(0.1)	(9.8)	(12.6)
Operating Expenses	(2.5)	(1.7)	(0.6)	(4.8)	(5.5)
Total Expenses	(7.6)	(6.3)	(0.7)	(14.6)	(18.1)
EBITDA	3.5	(4.4)	(0.7)	(1.6)	(5.1)
EBITDA%	32%				
Restructure Costs	(1.2)	(0.2)		(1.4)	-
Depreciation	(0.3)	(0.1)		(0.4)	(0.5)
EBIT	2.1	(4.7)	(0.7)	(3.3)	(5.6)
NPBT FY12	2.1	(5.3)	(0.7)	(3.9)	(5.5)
NPBT FY11	0.9	(5.6)	(0.9)		(5.5)

Additional financial information is provided in the attached Appendix 4E: Preliminary Final Report.

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 AUD43 billion-funds under administration* of assets in Australia and with more than £415 million-UK FUM* in funds on the platforms it operates in the UK. Praemium currently provides services to approximately 478* financial institutions and intermediaries, including some of the world's largest financial institutions.

*As at 30 June 2012

For further information contact:

Mr Michael Ohanessian, CEO

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Appendix 4E

Preliminary Final Report – Results for Announcement to the Market

Name of entity

PRAEMIUM LIMITED

ABN

74 098 405 826

1. Reporting period:

Report for the financial year ended:	30 June 2012
Previous corresponding period is the financial year ended:	30 June 2011

2. Results for announcement to the market:

Revenues from ordinary activities (<i>item 2.1</i>)	up 0.7% to \$13,045,198
(Loss) from ordinary activities after tax attributable to members (<i>item 2.3</i>)	down 28.7% to (\$3,945,140)
Net (Loss) for the period attributable to members (<i>item 2.3</i>)	down 31.7% to (\$3,901,679)

Dividends (<i>item 2.4</i>)	Amount per security	Franked amount per security
Interim dividend	- cents	- cents
Final dividend	- cents	- cents
Record date for determining entitlements to the dividend (<i>item 2.5</i>)		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):		

3. Statement of Comprehensive Income

Refer to Attachment A attached

4. Statement of financial position

Refer to Attachment A attached.

5. Statement of Changes in Equity

Refer to Attachment A attached

6. Statement of Cash Flows

Refer to Attachment A attached

7. Dividends (item 7):

	Date of payment	Total amount of dividend
Interim dividend-year ended 30 June 2012	N/A	\$0.00
Final dividend-year ended 30 June 2012	N/A	\$0.00

Amount per security

	Amount per security	Franked amount per security	Amount per security of foreign sourced dividend
Total dividend: Current Year	- cents	- cents	- cents
Total dividend: Previous Year	- cents	- cents	- cents

8. Details of dividend or distribution reinvestment plans in operation are described below (item 8):

Not applicable.	
The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	Not applicable.

9. Statement of retained earnings (item 9)

Consolidated Entity

	2012	2011
Balance at the beginning of the year	(44,179,573)	(38,756,738)
Net profit attributable to members of the parent entity	(3,945,140)	(5,536,420)
Adjustment on introduction to Australian Equivalent to IFRS		
Total available for appropriation		
Dividends paid		
Lapsing of Options	44,018	113,585
Balance at end of year	(48,080,695)	(44,179,573)

10. Net tangible assets per security (item 10)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.022	\$0.023

11. Details of entities over which control has been gained or lost during the period: (item 11)**Control gained over entities/acquisitions**

Name of entities	Date(s) of gain of control
Not applicable	

Loss of control of entities/Disposals

Name of entities	Date(s) of loss of control
Not applicable	

12. Details of associates and joint venture entities (item 12)

Name of associate or joint venture entity (item 12.1)	% Securities held (item 12.2)
Non applicable	

Aggregate share of profits (losses) of associates and joint venture entities (item 12.3)**13. Details significant information relating to the entity's financial performance and financial position.****Results**

The consolidated loss after income tax attributable to the members of the company was \$3,945,140.

The Group's net asset position at 30 June 2012 was \$6,592,011 with \$4,713,179 held in cash or cash equivalents. The Group is debt free.

Significant Change in the State of Affairs

There were no significant changes in the state of affairs during the year.

After Balance Date Events

Praemium (UK) Ltd, a subsidiary of Praemium Limited, has undertaken a significant number of research and development (R&D) projects to maintain its technological advantage in the fund platform market and has sought to claim certain qualifying R&D expenditure as being eligible for tax relief under sections 1125 and 1126 of the UK Corporation Tax Act 2009. At 30th June 2012 Praemium (UK) Ltd had submitted a claim for a repayment of corporation tax after applying tax credits on R&D expenditures for the year ended 30th June 2010 of £193,154. The Company also pre-submitted a claim in respect of the year ended 30th June 2011, with value yet to be determined, and will submit a further claim for the year ending 30th June 2012. The amount of £193,154 for the FY2010 claim was paid to the Company by HM Revenue and Customs on 17th July 2012. However, because there remains conditionality over the formal acceptance of the FY2011 and FY2012 claims by way of an HM Revenue and Customs final determination, the Company will only account for the claims by treating them as an exceptional item in the period in which any such final determinations are made.

No matters or circumstances, other than noted above have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Dividend Recommended, Declared or Paid

The Company has not recommended, declared or paid a dividend in respect of the full year result.

14. This item relates to foreign entities and is not applicable to the company (item 14)

15. Commentary on the results for the period (item 15).

The Company and its controlled entities made a full year net loss of \$3,945,140 after tax, including \$1,359,816 of restructure costs and \$500,000 for impairment of financial assets. This compares to a net loss in the prior year of \$5,536,420 after tax in 2011.

Total consolidated revenue and other income for this period is \$13,171,760 compared to the preceding period of \$13,128,690, an increase of 0.3%. The change in billed and committed portfolios for the same period of 44,678 compared to 45,075 for the preceding period is a decrease of 0.9%.

Basic earnings/ (loss) per share for this period is (1.4 cents) and diluted earnings/ (loss) per share was (1.4 cents), whilst for the preceding period basic and diluted earnings (loss) per share were (2.5 cents and 2.4 cents) respectively.

Segment Reporting

	Australia	United Kingdom	Total
Revenue			
Total segment revenue	11,311,231	1,831,092	13,142,323
Inter-segment revenue	(241,973)	-	(241,973)
Revenue from external customers	11,069,258	1,831,092	12,900,350
EBITDA (loss) excluding Group overheads	3,549,043	(4,400,479)	(851,436)
EBITDA (loss) including Group overheads	2,794,967	(4,400,479)	(1,605,512)
Interest	114,557	7,131	121,688
Interest Intercompany and Margin	587,379	(587,379)	-
Depreciation	(262,945)	(127,617)	(390,562)
Unrealised FX	43,378	-	43,378
Unit Trust Income	23,160	-	23,160
Restructure Costs	(1,156,613)	(203,203)	(1,359,816)
Impairment of available for sale financial assets	(500,000)	-	(500,000)
Withholding Tax	(277,476)	-	(277,476)
Net Profit / (Loss) Before Tax	1,366,407	(5,311,547)	(3,945,140)
Segment assets	6,684,706	2,371,666	9,056,372
Segment liabilities	(1,639,446)	(824,915)	(2,464,361)
Employee benefits expense	5,460,733	4,677,096	10,137,829
Additions to non-current assets (other than financial assets, deferred tax, post-employment benefit assets, rights arising under insurance contracts)	36,650	25,381	62,031

* Group overheads relate to costs associated with operating a public company, including Board of Directors, share registry and public relations costs as well as a percentage allocation for the Group CEO, Group CFO and General Counsel on investor relations.

Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The preliminary financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The preliminary financial report covers the consolidated group of Praemium Limited and its controlled entities. Praemium Limited is a listed public company, incorporated and domiciled in Australia. The preliminary financial report of Praemium Limited and its controlled entities complies with all International Financial Reporting Standards (IFRS) in their entirety.

Reporting Basis and Conventions

The preliminary financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied

15. Audit of the financial report (item 15)

The financial report is in the process of being audited.

16. Are the audited accounts subject to review and are subject to dispute or qualification?

(Item 16)

At this point in the audit process there have not been any disputes nor issues that will be subject to audit qualification.

Sign here:

Date: 21 August 2012



Print name: Paul Gutteridge
(CFO & Company Secretary)

Attachment A

Praemium Limited

ACN 098 405 826

Statement of comprehensive income For the Year Ended 30 June 2012

	2012 \$	2011 \$
Revenue	13,045,198	13,036,650
Other income	126,562	92,040
Employee costs	(10,137,829)	(12,525,589)
Depreciation, amortisation and impairments	(390,562)	(526,735)
Legal, professional, advertising and insurance expense	(2,154,604)	(2,932,921)
IT support	(692,358)	(732,309)
Commissions expense	(117,459)	(221,326)
Travel expenses	(400,963)	(365,434)
Occupancy costs	(848,866)	(873,816)
Net foreign exchange gains / (losses)	43,378	(71,552)
Telecommunication costs	(161,062)	(195,836)
Other expenses	(113,146)	(175,882)
Restructure costs	(1,359,816)	-
Impairment of available for sale financial assets	(500,000)	-
Finance costs	(6,137)	-
Withholding tax not recoverable	(277,476)	(43,710)
Loss before income tax expense	(3,945,140)	(5,536,420)
Income tax expense	-	-
Loss attributable to members of the Group	(3,945,140)	(5,536,420)
Other comprehensive income		
Changes in the fair value of available-for-sale financial assets	16,351	18,819
Exchange differences on translation of foreign operations	27,110	(195,937)
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income/(loss) for the year, net of tax	43,461	(177,118)
Total comprehensive income/(loss) attributable to members of the Group	(3,901,679)	(5,713,538)
Basic earnings/(loss) per share (cents per share)	(1.4)	(2.5)
Diluted earnings/(loss) per share (cents per share)	(1.4)	(2.4)

Praemium Limited

ACN 098 405 826

Statement of Financial Position
For the Year Ended 30 June 2012

	2012 \$	2011 \$
Current assets		
Cash and cash equivalents	4,713,179	4,643,958
Trade and other receivables	2,468,411	2,161,288
Total current assets	7,181,590	6,805,246
Non-current assets		
Other Financial assets	1,212,951	1,740,817
Property, plant and equipment	661,831	982,439
Total non-current assets	1,874,782	2,723,256
TOTAL ASSETS	9,056,372	9,528,502
Current liabilities		
Trade and other payables	1,892,514	3,077,238
Provisions	490,469	846,779
Total current liabilities	2,382,983	3,924,017
Non-current liabilities		
Provisions	81,378	110,719
Total non-current liabilities	81,378	110,719
TOTAL LIABILITIES	2,464,361	4,034,736
NET ASSETS	6,592,011	5,493,766
EQUITY		
Share capital	55,522,531	50,498,731
Reserves	(849,825)	(825,392)
Accumulated losses	(48,080,695)	(44,179,573)
TOTAL EQUITY	6,592,011	5,493,766

Praemium Limited

ACN 098 405 826
Statement of Changes in Equity
For the Year Ended 30 June 2012

	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Revaluation Reserve	Total
Equity as at beginning of period	50,498,731	(44,179,573)	(1,466,234)	635,912	4,930	5,493,766
Loss attributable to members of the parent entity		(3,945,140)				(3,945,140)
Other comprehensive income /(loss)			(27,110)		(16,351)	(43,461)
Total comprehensive income/(loss) for the year	-	(3,945,140)	(27,110)	-	(16,351)	(3,988,601)
Transactions with owners in their capacity as owners						
Issue of shares	4,835,750	-	-	-	-	4,835,750
Option expense	-	-	-	250,378	-	250,378
Exchange difference on option reserve	-	-	-	718	-	718
Transfer on exercise of options	188,050	-		(188,050)		-
Transfer on lapsing of options	-	44,018	-	(44,018)	-	-
	5,023,800	44,018	-	19,028	-	5,086,846
Equity as at 30 June 2012	55,522,531	(48,080,695)	(1,493,344)	654,940	(11,421)	6,592,011

Praemium Limited

ACN 098 405 826
Statement of Changes in Equity
For the Year Ended 30 June 2011

	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Revaluation Reserve	Total
Equity as at beginning of period	44,847,706	(38,756,738)	(1,270,297)	350,275	(13,889)	5,157,057
Loss attributable to members of the parent entity		(5,536,420)				(5,536,420)
Other comprehensive income /(loss)			(195,937)		18,819	(177,118)
Total comprehensive income/(loss) for the year	-	(5,536,420)	(195,937)	-	18,819	(5,713,538)
Transactions with owners in their capacity as owners						-
Issue of shares	5,414,722	-	-	-	-	5,414,722
Option expense	-	-	-	642,919	-	642,919
Exchange difference on option reserve	-	-	-	(7,394)	-	(7,394)
Transfer on exercise of options	236,303	-	-	(236,303)	-	-
Transfer on lapsing of options	-	113,585	-	(113,585)	-	-
	5,651,025	113,585	-	285,637	-	6,050,247
Equity as at 30 June 2011	50,498,731	(44,179,573)	(1,466,234)	635,912	4,930	5,493,766

Praemium Limited

ACN 098 405 826

Cashflow Statement**For the Year Ended 30 June 2012**

	2012	2011
	\$	\$
Cash from operating activities:		
Receipts from customers	12,706,629	12,076,157
Payments to suppliers and employees	(15,904,479)	(18,077,750)
Restructure costs	(1,341,003)	-
Interest received	121,685	147,828
Borrowing Costs	(6,137)	-
Net cash (used by) /provided from operating activities	(4,423,305)	(5,853,765)
Cash flows from investing activities:		
Unit trust distributions received	23,161	16,288
Payments for property, plant and equipment	(62,031)	(226,508)
Acquisition of unit trust	-	(5,125)
Payments for loans to other entities	(202,502)	-
Net cash used in investing activities	(241,372)	(215,345)
Cash flows from financing activities:		
Proceeds from the issue of share capital	5,000,200	5,563,717
Share issue transaction costs	(231,450)	(275,165)
Net cash provided by financing activities	4,768,750	5,288,552
Net cash increase (decreases) in cash and cash equivalents	104,073	(780,558)
Cash and cash equivalents at beginning of year	4,643,958	5,614,270
Effect of exchange rates on cash holdings in foreign currencies	(34,852)	(189,754)
Cash and cash equivalents at end of year	4,713,179	4,643,958