Praemium to take over the BlackRock SMA

18 September 2012, Melbourne: Praemium announces today that its wholly owned subsidiary, Praemium Australia Limited (**PAL**) has entered into an agreement with BlackRock Investment Management (Australia) Limited (**BlackRock**) to take over as Responsible Entity (**RE**) of BlackRock's market leading Separately Managed Accounts (**SMA**) managed investment scheme.

The SMA (ARSN 114 818 530), branded as the BlackRock Customised Portfolio Service, is operated by BlackRock and supported by Praemium as the technology platform provider. The scheme was launched in 2005 and currently has over $600 million in funds under management across 100 model portfolios delivered by over 20 fund managers.

Completion of the transaction is subject to a number of conditions precedent including the approval by investors in the SMA representing at least 50% of the scheme funds. Assuming satisfactory progress on the completion activities, Praemium expects to be appointed as RE of the SMA before the end of this calendar year. Under the terms of the Agreement, Praemium will offer employment contracts to the existing BlackRock operations team who would join Praemium upon completion. Initial approval from ASIC to vary PAL's Australian Financial Services Licence to operate the scheme was granted on 4 September 2012. Final approval from ASIC is subject to the scheme's members approving the appointment of PAL as RE of the scheme.

The agreement with BlackRock requires Praemium to fund certain expenses of its appointment as RE including regulatory approvals, legal expenses, IT costs, marketing and rebranding, and certain investor vote-related expenses associated with the change in RE. Total expenses are estimated to be approximately $500,000.

Scott Phillips, Managing Director of BlackRock's Retail division, said, "Following a recent review of our SMA business, we believe that a company that focuses on portfolio administration would be best placed to leverage its strengths to continue to develop the SMA and offer investors a market-leading solution over the long term. Praemium has been the underlying technology provider to the SMA since inception and is in a unique position to develop the SMA into the future."

Praemium CEO Michael Ohanessian said, "This marks an important milestone for Praemium. Until now our Australia business has been exclusively a software service business. This transaction involving the market leading SMA platform is an excellent opportunity for us to forward integrate. Equally important is that we will be operating our SMA software directly both in the UK and Australia, from which we expect to realise considerable synergies."

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-FUA* of assets in Australia and with more than £400 million-UK FOP* in funds on the platforms it operates in the UK. Praemium currently provides services to approximately 500 financial institutions and intermediaries, including some of the world's largest financial institutions.
*As at 30 June 2012

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