



Praemium announces two strategic acquisitions and \$4.46 million capital raising

18 September 2012, Melbourne: Further to Praemium's announcements today that it has entered into formal agreements with BlackRock Investment Management (Australia) Limited (**BlackRock**) and WealthCraft Systems Limited (**WealthCraft**), Praemium confirms that it has commenced arrangements to raise \$4.46 million in new equity capital.

Capital requirements

The two acquisitions require total outlays of approximately \$1.1 million, of which \$400,000 has already been advanced to WealthCraft as a secured loan. Whilst the Company currently holds cash resources of approximately \$4.3 million, sufficient to fund the acquisition outlays, the expansion of the Company's fiduciary responsibilities and a broadening of its platform for future growth will require and be enhanced by a strengthening of the Company's balance sheet. The raising of approximately \$4.46 million in new equity will build the Company's cash resources, after acquisition outlays and underwriting expenses, to approximately \$8 million.

The Company's fundraising activities will take the form of:

- (a) **Institutional Share Placement[^]:** A private placement of 33 million shares at 6 cents per share has been completed with institutional and professional investors, raising \$2.0 million. The placement shares are expected to be issued on 21 September 2012 and listed for trading on the ASX on 24 September 2012; and
- (b) **Rights Issue:** A fully underwritten non-renounceable rights issue allowing investors to apply for one new fully paid ordinary share for every 8 shares held at the same price as the Institutional Placement of 6 cents per share. This will allow shareholders the opportunity to participate in the issue of new shares at a historically low price: 21% below the volume weighted average traded price of the shares over the last 6 months.

Canaccord Genuity (Australia) Limited was appointed Lead Manager of the Institutional Share Placement and has been appointed Underwriter of the Rights Issue. The Chairman, two non-executive directors and CEO of the Company have committed to sub-underwrite part of the Rights Issue, in addition to taking up their respective entitlements. Further details of the rights issue are contained in the ASX announcement of today's date.

Commenting on the capital raising, CEO Michael Ohanessian said, "We are pleased to have the strong backing of new and existing investors to support our strategic initiatives. We have confidence that the BlackRock SMA, currently at \$600 million FUM, will rapidly grow to over \$1 billion at which time it will trigger a maximum prudential capital requirement of \$5 million. Adding to our balance sheet in the near term will ensure we have a solid capital base that will not only meet regulatory requirements but will ensure that we are adequately capitalised to pursue growth here and internationally."



^ For the purposes of ASX Listing Rule 3.10.3, the following information is provided:

Class of securities to be issued	Fully paid ordinary shares
Number of securities	33,333,333
Principal terms	Will rank parri passu with all other fully paid ordinary shares on issue
Issue price	\$0.06 per share
Purpose of the issue	As outlined in ASX announcements on 17 September 2012
Shareholder approval in relation to issue	Not applicable
Issue to a class of security holders	No

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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