



***Announcement of Non Renounceable Rights Issue and Notification
Under Section 708AA of the Corporations Act***

18 September 2012, Melbourne: Praemium Limited is pleased to announce a 1 for 8 non-renounceable pro-rata entitlement issue (**Rights Issue**). The Rights Issue will be available to holders of shares in the Company with a registered address in Australia and New Zealand as at 26 September 2012 (**Record Date**).

The Rights Issue is fully underwritten by Canaccord Genuity (Australia) Limited.

Under the Rights Issue, the Company will issue fully paid ordinary shares in the Company held at the Record Date at an issue price of \$0.06 per new share.

The Company will raise \$2.4 million (before costs) under the Rights Issue.

The Rights Issue will be made pursuant to section 708AA of the Corporations Act and accordingly, a prospectus will not be lodged with the Australian Securities & Investments Commission, although an Offer Document will be made available to eligible holders.

The Offer Document sets out the full details of the Offer and will be despatched to eligible holders in accordance with the below timetable.

Eligible holders should review the Offer Document and seek advice before deciding to participate in the Rights Issue.

Moneys raised under the Rights Issue will be utilised as follows:

- As announced today, Praemium has entered into an agreement to replace BlackRock Investment Management Limited (Australia) as the responsible entity of the BlackRock Separately Managed Accounts managed investment scheme. Accordingly, some of the funds raised will be used to meet acquisition and other costs associated with this transaction;
- It is a condition of the Company's varied Australian Financial Services Licence authorisation that it holds 0.5% of scheme assets as net tangible assets (NTA), capped at \$5 million. Based on the scheme's current assets of \$600 million, this equates to a \$3 million NTA requirement. These increased prudential capital requirements are prescribed by ASIC and apply to all operators of registered schemes; and
- As announced today, Praemium has entered into an agreement to acquire WealthCraft Systems Limited. Some of the funds raised will be applied towards acquisition and initial working capital costs.

The number of Shares currently on issue is 295,227,445 fully paid ordinary shares. The total number of new shares to be issued under the Rights Issue is 41,070,097 fully paid ordinary shares. A further 33,333,333 shares are to be issued under the private placement also announced today. The total number of shares on issue following completion of the Rights Issue and private placement will be 369,630,875 fully paid ordinary shares.

Proposed Timetable

(a)	Announcement of Issue (prior to commencement of trading)	Tuesday 18 September 2012
(b)	Application to ASX for official quotation of the New Shares (prior to commencement of trading)	Tuesday 18 September 2012
(c)	Lodgement of Offer Document with ASX (prior to commencement of trading)	Tuesday 18 September 2012
(d)	Despatch of notice to shareholders informing them of the Rights Issue and notify ASX of despatched	Wednesday 19 September 2012
(e)	“Ex” Date (i.e. date from which securities commence trading without the entitled to participate in the Rights Issue	Thursday 20 September 2012
(f)	Record Date (i.e. date for determining entitlement to participate in the Rights Issue	Wednesday 26 September 2012
(g)	Offer opens, despatch of Offer Document	Tuesday 2 October 2012
(h)	Closing Date for acceptance and payment of \$0.06 cents per new share	Tuesday 16 October 2012
(i)	Trading commences on a deferred settlement basis	Wednesday 17 October 2012
(j)	Notify ASX of shortfall	Friday 19 October 2012
(k)	Statements for new shares despatched	Wednesday 24 October 2012
(l)	Trading of new shares expected to commence	Thursday 25 October 2012

This timetable is indicative and subject to change in consultation with ASX.

The Directors reserve the right not to proceed with the Rights Issue in which case any application money received will be refunded without interest.

Cleansing Notice under section 708AA

In making the Rights Issue, the Company relies on section 708A(5) of the Corporations Act and the Company hereby gives notice pursuant to section 708A(5)(e).

- (a) The Company will offer the new shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth) ("Act").
- (b) As at the date of this notice, the Company has complied with:
 - (i) The provisions of chapter 2M of the Act as they apply to the Company;
 - (ii) Section 674 of the Act.
- (c) As at the date of this notice, there is no information that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules.

If you have any queries in relation to the Rights Issue please contact our Company Secretary, Paul Gutteridge, on +613 8622 1222.

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

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003

Name of entity

Praemium Limited

ABN

74 098 405 826

We (the entity) give ASX the following information.

Part 1 – All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1. +Class of +securities issues or to be issued	Fully Paid Ordinary Shares
2. Number of +securities issued or to be issued (if known) or maximum number which may be used	41,070,097 Ordinary Shares
3. Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully Paid Ordinary Shares (non renounceable rights issue)

Appendix 3B
New issue announcement

4.	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in case of a trust distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes, these are fully paid ordinary shares	
5.	Issue price or consideration	\$0.06 per share	
6.	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To raise funds for 2 transactions, plus increased prudential capital requirements from varying Praemium Australia Limited's Australian Financial Services Licence.	
7.	Dates of entering +securities into uncertified holdings or dispatch of certificates		
8.	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		295,227,445	295,227,445 - existing fully paid ordinary shares
9.	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		11,363,332	Performance Rights & Options
10.	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 – Bonus issue or pro rata issue

11.	<i>Is security holder approval required?</i>	No
12.	<i>Is the issue renounceable or non-renounceable?</i>	Non-renounceable
13.	<i>Ration in which the +securities will be offered</i>	1 share for every 8 shares held
14.	<i>+Class of +securities to which the offer relates</i>	Fully paid ordinary share
15.	<i>Record of date to determine entitlements</i>	Wednesday 26 September 2012
16.	<i>Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?</i>	No
17.	<i>Policy for deciding entitlements in relation to fractions</i>	Rounded up to the nearest whole share
18.	<i>Names of countries in which the entity has +security holders who will not be sent new issue documents</i> <i>Note Security holders must be told how their entitlements are to be dealt with.</i> <i>Cross reference rule 7.7</i>	All countries other than Australia and New Zealand
19.	<i>Closing date for receipt of acceptances or renunciations</i>	Tuesday 16 October 2012
20.	<i>Names of any underwriters</i>	Canaccord Genuity (Australia) Limited
21.	<i>Amount of any underwriting fee or commission</i>	4% of gross proceeds of funds raised
22.	<i>Names of any brokers to the issue</i>	N/A
23.	<i>Fee or commission payable to the broker to the issue</i>	N/A

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New issue announcement

24.	<i>Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders</i>	N/A
25.	<i>If the issue is contingent on +security holders' approval, the date of the meeting</i>	N/A
26.	<i>Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled</i>	Tuesday 2 October 2012
27.	<i>If the entity has issued options, and the terms entitle option holders to participate on the exercise, the date on which notices will be sent to option holders</i>	N/A
28.	<i>Date rights trading will begin (if applicable)</i>	N/A
29.	<i>Date rights trading will end (if applicable)</i>	N/A
30.	<i>How do +security holders sell their entitlements in full through a broker?</i>	N/A
31.	<i>How do +security holders sell part of their entitlements through a broker and accept for the balance?</i>	N/A
32.	<i>How do +security holders dispose of their entitlements (except by sale through a broker)?</i>	N/A
33.	<i>Despatch date</i>	Tuesday 2 October 2012

Part 3 – Quotation of securities

You need only complete this section if you are applying for quotation of securities

34. *Type of securities*
(tick one)

- (a) ☐ Securities described in Part 1
- (b) ☐ All other securities
Example restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35. ☐ *If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional + securities held by those holders.*
36. ☐ *If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories*
- 1 – 1,000
1,001 – 5,000
5,001 – 10,000
10,0001 – 100,000
100,001 and over
37. ☐ *A copy of any trust deed for the additional +securities*

Entities that have ticked box 34(b)

38. <i>Number of securities for which +quotation is sought</i>	N/A
39. <i>Class of +securities for which quotation is sought</i>	N/A
40. <i>Do the +securities rank equally in all respects from the date of allotment with</i>	

an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41. Reason for request for quotation now
 Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)

42. Number and +class of all +securities quoted on ASX (including the securities in clause 38

Number	+Class

Quotation Agreement

1. +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
2. We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
3. We will identify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connects with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 18 September 2012

(Company secretary)

Print name: Paul Gutteridge