



## **Praemium's FY2015 half-year results: Maiden underlying half year profit**

**20 February 2015, Melbourne:** Praemium Limited (ASX: PPS) has released its results for the half year ending 31 December 2014. In summary, the Group's results were:

- Revenue and other income of \$10.9 million for H1 FY15, a 20% increase on H1 FY14;
- Underlying\* EBITDA profit of \$0.9 million, compared to a \$0.2 million loss at H1 FY14;
- Net profit before tax of \$0.9 million, compared to a \$0.7 million loss for H1 FY14;
- Operating cash inflow of \$1.45 million for the half, a 350% improvement on H1 FY14; and
- Cash increased year on year from \$7.9 million to \$10.4 million as at 31 December 2014, with no Group debt.

Commenting on the half-year results, CEO Michael Ohanessian stated, "This is the first time Praemium has reported an underlying profit, and we are very pleased with the performance of the business. We achieved record fund growth on our Separately Managed Account (SMA) platforms, resulting in global funds surpassing \$3 billion. Our in-house investment team in London, Smart Investment Management, continued to gain traction with \$0.3 billion in funds now under management, adding an additional revenue stream. We continued to invest in major product enhancements, including Self-Managed Superannuation Funds (SMSF) functionality within V-Wrap, a retail superannuation offering within the SMA, and a new mobile interface designed for investors."

Mr Ohanessian added, "While we are delighted with the progress made so far, our focus continues to be on delivering scalable growth, and we remain on track to deliver an underlying profit for the full financial year."

Operating revenue growth of 18% was achieved across all products and regions in which Praemium operates (Australia, UK and Asia). In particular, revenue from Praemium's SMA investment platforms rose 28% from the prior year to \$3.6 million, with record fund inflows across the Australian and International platforms. Portfolio services revenue increased by \$0.2 million to \$5.7 million, with a major contract upgrade effective from November 2014 to flow into H2 FY2015.

Praemium's Australian business generated a 42% increase in segment profit compared with the previous half, and as a result continues to utilise carry-forward tax losses. This has resulted in a further reduction of the company's Deferred Tax Asset, with \$1.7 million recorded as a tax expense in this half. The reported Net Loss After Tax (NPAT) for the Company was \$0.8 million.

Additional financial information is provided in the attached Half Year Report and Investor Presentation.

\*Underlying earnings excludes foreign exchange movements of currencies held on deposit (+\$0.1 million), as detailed on page 10 of the attached results presentation.

**About Praemium:** Praemium is a global leader in the provision of investment administration, Separately Managed Account (SMA) and financial planning technology platforms. Praemium administers in excess of 300,000 investor accounts covering approximately \$80 billion in funds globally, and currently provides services to approximately 700 financial institutions and intermediaries, including some of the world's largest financial institutions.

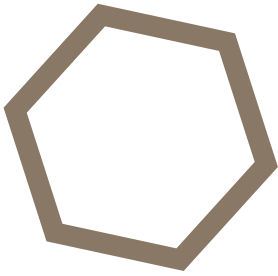
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**praemium**

technology matters

**Praemium Limited  
Half-Year Report  
31 December 2014**



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# Appendix 4D

ASX HALF-YEAR REPORT

Name of entity:	Praemium Limited
ABN:	74 098 405 826
Reporting period:	Half year ended 31 December 2014
Previous corresponding period:	Half year ended 31 December 2013

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

### RESULTS

Revenue from ordinary activities	increased 18.3% to \$9,974,318
Profit from ordinary activities before tax attributable to members	increased 257.8% to \$896,734
Net loss for the period attributable to members	decreased 68.4% to (\$843,597)

Dividends	Amount per security	Franked amount per security
<b>Current period</b>	-	-
Ordinary dividend	-	-
<b>Previous corresponding period</b>	-	-
Ordinary dividend	-	-
No dividends are proposed for the period		

### BRIEF EXPLANATION OF THE FIGURES REPORTED ABOVE

Refer to the attached Half-Year Report (Directors' Report – Review of Operations section), for commentary on the half-year results.

### NOTES TO APPENDIX 4D - FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Net tangible assets per security	Current period	Previous period
Net tangible assets per ordinary security	3.7 cents	3.8 cents

Control gained over entities having a material effect	
Name of entity (or group of entities)	N/A

Loss of control of entities having a material effect	
Name of entity (or group of entities)	N/A

#### Additional dividend information

Details of dividend declared or paid during or subsequent to the current period or the previous corresponding period are as follows:

Record date	Payment date	Type	Amount per security	Franked amount per security	Total dividend

#### Dividend reinvestment plan

Not applicable.

#### Details of associates and joint venture entities

	Current period	Previous period
Consolidated entity's percentage holding in each of these entities	-	-
Aggregate share of profits after tax of these entities	-	-
Contribution to net profit after tax	-	-

#### Compliance statement

This report is based on financial statements reviewed by the auditor, copies of which are attached.



Michael Ohanessian  
Managing Director  
20 February 2015

# Half Year Financial Report

Praemium Limited is a leading provider of portfolio administration, investment platforms, and financial planning tools to the wealth management industry.

**18%**

increase in  
operating  
revenues

STRONG AND GROWING  
**SMA INFLOWS**

MAIDEN HALF YEAR OF  
**UNDERLYING PROFIT**

FUNDS ON PLATFORM REACHED  
**\$3.1 BILLION**

**50%**

increase in  
funds on  
platform\*

\*Compared to H1 FY2014

## DIRECTORS' REPORT

The directors present this report, together with the condensed financial report for the half year ended 31 December 2014, and an independent review report thereon. The consolidated entity consists of Praemium Limited ('the Company') and the entities it controls ('the Group'). This financial report has been prepared in accordance with Australian & International Financial Reporting Standards.

### Directors' Names

The names of the Directors of the Company during or since the end of the half year are:

- ➔ Mr Bruce Loveday – Non-Executive Chairman
- ➔ Mr Robert Edgley – Non-Executive Director
- ➔ Mr Peter Mahler – Non-Executive Director
- ➔ Mr Andre Carstens - Non-Executive Director
- ➔ Mr Michael Ohanessian – Managing Director & CEO

### Review of Operations

#### Company Overview

Founded in 2001, Praemium is a software provider of investment portfolio technology whose strength is in multi-asset administration, particularly direct equities. Our technology specialises in corporate action processing, CGT optimisation, and sophisticated tax and investment reporting. In Australia, Praemium's investment portfolio technology is branded as V-Wrap. Praemium offers a range of portfolio management services used by accountants, financial advisers, stockbrokers, self-managed superannuation fund (SMSF) administrators and large institutions who usually rebrand and package the services for their own customers. The addition of SMSF compliance and reporting capabilities, available during FY2015, will further increase the appeal of V-Wrap for SMSF administrators.

Our core portfolio administration technology also underpins our wrap platform service and Separately Managed Account (SMA) technology. Our SMA investment platform in Australia is a regulated management investment scheme, where investors are able to participate directly in the stock market whilst still benefitting from professional investment management advice.

Praemium launched in the UK in 2006, shortly after the Company was listed on the Australian Stock Exchange. In the UK and internationally, our core proprietary SMA technology enables financial advisers to select investment models provided by third-party investment managers or by Praemium's in-house investment management solution. Client portfolios can be invested in one or more of these models without having to transfer their money into a managed fund. We also provide the SMA through Smartfunds, which deliver a cost-efficient and transparent retail fund via an online investment platform.

To complete our offering to the financial services industry, Praemium also provides customer relationship management (CRM) and financial planning software. WealthCraft is powered by Microsoft Dynamics CRM and allows advisors to seamlessly manage their client, practice and campaign information while complying with enhanced regulatory requirements. WealthCraft is also fully integrated with V-Wrap to provide a complete business solution.



# Financial summary

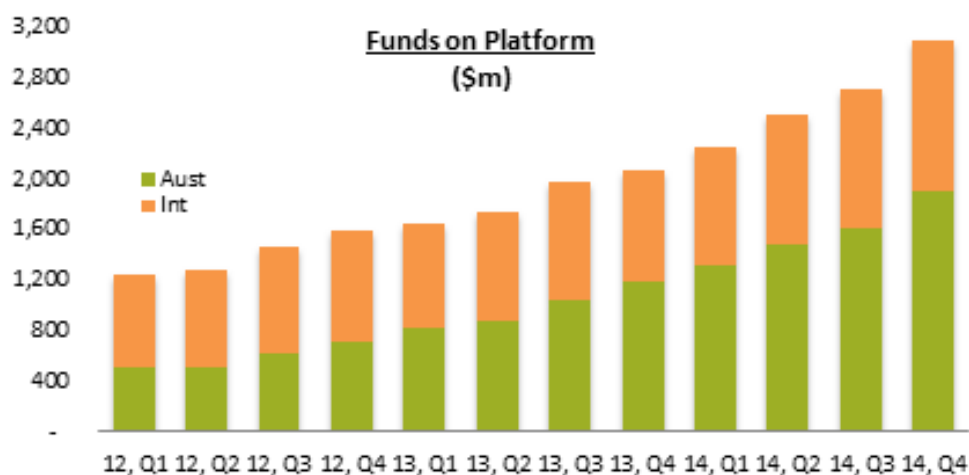
## FINANCIAL METRICS

Results summary	H1 FY15 \$000	H1 FY14 \$000	CHANGE \$000	CHANGE %
Revenue & other income	10,958	9,109	1,849	20%
Expenses	10,001	9,272	(729)	(8%)
<b>EBITDA</b>	<b>957</b>	<b>(163)</b>	<b>1,120</b>	<b>687%</b>
Net Profit/(Loss) before Tax	876	(686)	1,562	228%
Net Profit/(Loss) after Tax*	(844)	(2,668)	1,824	68%
<b>Cash</b>	<b>10,371</b>	<b>7,947</b>	<b>2,424</b>	<b>31%</b>
Net Assets	14,161	14,254	(93)	(1%)
<b>Operating Cashflow</b>	<b>1,450</b>	<b>(580)</b>	<b>2,030</b>	<b>350%</b>

\*Utilisation of tax losses and movement in timing differences of the Group's deferred tax asset

## SERVICE METRICS

Revenue by region	H1 FY15 \$000	H1 FY14 \$000	CHANGE \$000	CHANGE %
<b>Australia Revenue (\$'000)</b>	<b>8,017</b>	<b>7,230</b>	<b>787</b>	<b>11%</b>
Funds on Platform – CPS (\$B)	1.90	1.20	0.70	58%
Portfolios (V-Wrap)	46,709	44,260	2,449	6%
<b>UK Revenue (\$'000)</b>	<b>1,423</b>	<b>1,121</b>	<b>302</b>	<b>27%</b>
Funds on Platform - UK (£B)	£0.63	£0.46	£0.17	37%
<b>Asia Revenue (\$'000)</b>	<b>497</b>	<b>37</b>	<b>460</b>	<b>1243%</b>



## Separately Managed Accounts (SMA)

Funds on Praemium's Australian and international Separately Managed Account (SMA) platforms continued their strong momentum, with global funds achieving \$3.1 billion at 31 December 2014, driven by record inflows. This growth is expected to continue as existing and new wealth management customers utilise SMAs to deliver more efficient and transparent investment solutions to their investors.

Our in-house investment management solution, branded Smart Investment Management, has grown strongly since joining Praemium in November 2013, with managed funds now exceeding \$270 million. This service provides an incremental revenue stream for management fees in addition to platform administration fees.

Within Australia we have expanded the addressable market of the SMA platform with the launch of Praemium's retail superannuation offering, the Praemium SuperSMA. With key customers now progressing through a soft launch, the SuperSMA will offer the control, transparency, cost effectiveness and direct share capability of the SMA within a retail superannuation environment.

Our market-leading position in the SMA market was formally recognised at the recent Lonsec Awards in Sydney with Praemium winning the inaugural 'Best SMA Platform' award.

Praemium is also the platform of choice for Price Bailey, winner of the Leading Adviser Practice Aberdeen UK Platform Awards in 2012 and 2014 (they didn't apply in 2013). Aberdeen described Price Bailey as "a firm that runs a sophisticated discretionary proposition at really low cost on Praemium's platform."

## V-Wrap

Praemium renewed a contractual arrangement with a longstanding customer to provide portfolio administration services for a further 5 years. This new agreement, commencing on 8 November 2014, has a minimum contract value of \$3 million per year, above the previous reported revenue in FY2014 for services to this customer of \$1.6 million.

In the second half of FY2015 the Company will be launching its Self-Managed Super Fund (SMSF) functionality as an enhancement to and investment in its core V-Wrap product. The addition of SMSF functionality will make V-Wrap an integral part of Praemium's complete business solution for its customers.

## WealthCraft

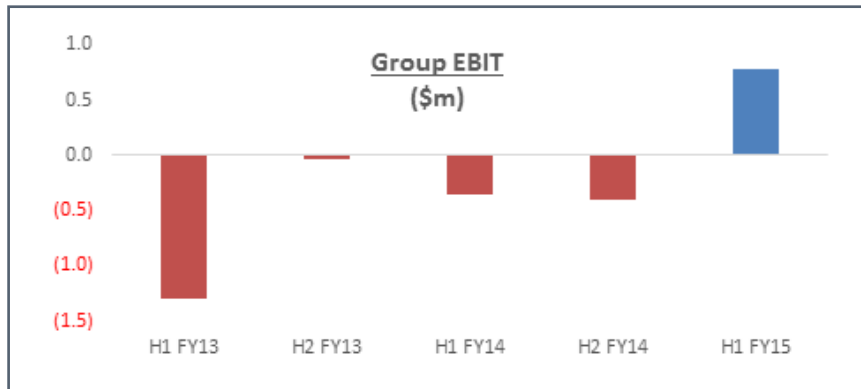
The addition of WealthCraft's financial planning and CRM system strengthens Praemium's offering across Australia, the UK and Asia, with the pipeline for Praemium's solutions across the wealth management industry building strongly. Expansion of WealthCraft's financial planning modules continued during this half year, with upgrades to in-house risk profiling tools, automated platform account opening, portfolio valuations and the production of statement of advice (SOA) reports.

Integrated with WealthCraft will be the newly released Investor Portal, which provides modern online access to portfolio information while allowing financial advisors to increase engagement effectiveness.

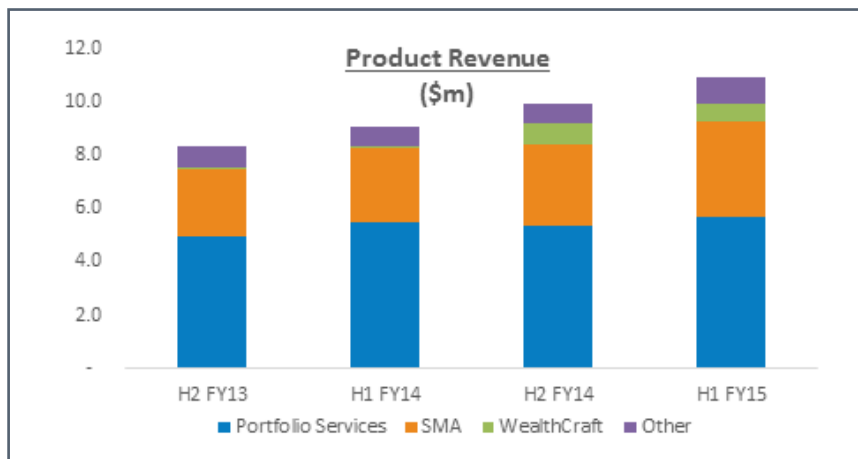
# Comments on financial performance

## Trading Performance

The consolidated profit before tax attributable to the members of the Group was \$876,343, compared to a \$686,086 loss before tax for the half year to 31 December 2013.



Recurring revenue increased to \$10.9 million for the 6 months to December 2014; a 20% increase compared to the 6 months to December 2013. This increase was across all regions in which the Group operates (Australia, UK, and Asia), and was due to expanded product lines and continuing fund flows onto our investment platforms. This period's result also included \$1.0 million in other income from the completion of the UK's research & development submission.

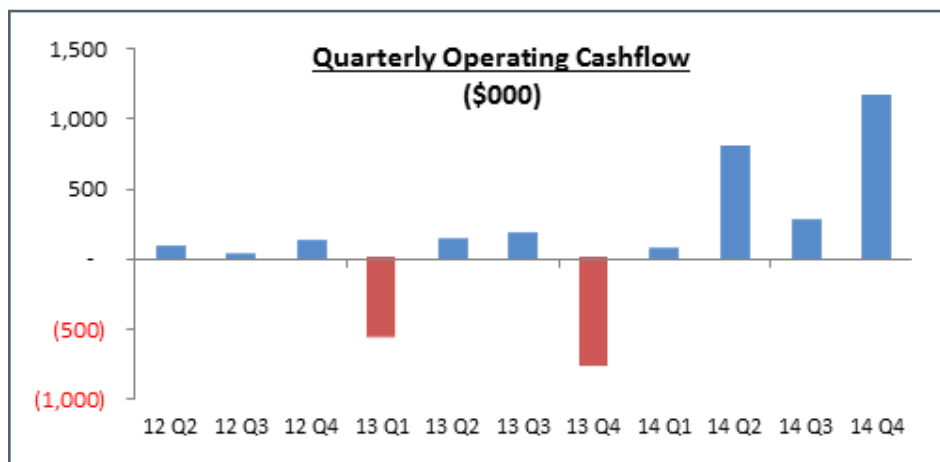


Operating expenses were \$10.0 million for H1 FY2015, compared to \$9.3 million in H1 FY2014 and \$10.1 million for H2 FY2014. Management continues to focus on maintaining operating costs while accelerating high margin revenue and earnings growth, to drive the Company's operating leverage.

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### Balance Sheet & Cashflow

The Group's net asset position at 31 December 2014 was \$14.2 million with \$10.4 million held in cash. The Group is debt free. Operating cashflow for the half was a \$1.45 million inflow, representing continuing improvement in the company's financial position. As noted below, positive operating cash flow has now been reported in the last 4 consecutive quarters, for the full financial year to 30 June 2014 and for 9 of the last 11 quarters.



### Post Balance-sheet Events

There have been no other matters or circumstances occurring subsequent to the end of the half year that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Signed in accordance with a resolution of Directors.

Bruce Loveday  
Chairman  
20 February 2015

# Auditor's Independence Declaration



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## **Auditor's Independence Declaration To The Directors of Praemium Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Praemium Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read "Grant Thornton", written over a light blue horizontal line.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in black ink, appearing to read "Brad Taylor", written over a light blue horizontal line.

Brad Taylor  
Partner - Audit & Assurance

Melbourne, 20 February 2015

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# Accounts for the Half Year ended 31 December 2014

## Consolidated Statement of Profit & Loss and other comprehensive income

	Economic Entity Half Year 2014 (\$)	Economic Entity Half Year 2013 (\$)
Revenue	9,974,318	8,431,490
Other income	983,647	711,338
Employee benefits expense	(7,828,106)	(7,233,229)
Depreciation, amortisation and impairments	(177,435)	(170,336)
Legal, professional, advertising and insurance expense	(918,551)	(1,025,104)
Commissions expense	(28,963)	(53,819)
Travel expenses	(223,903)	(220,849)
Telecommunication costs	(108,387)	(111,726)
IT support expenses	(466,051)	(392,931)
Net foreign exchange gains / (losses)	132,439	74,287
Occupancy costs	(566,746)	(435,698)
Withholding tax not recoverable	(53,596)	(35,231)
Restructure and acquisition costs	(20,391)	(435,489)
Other expenses and recovery	178,068	211,211
<b>Profit/(Loss) before income tax expense</b>	<b>876,343</b>	<b>(686,086)</b>
Income tax (expense)	(1,719,940)	(1,982,248)
<b>(Loss) for the year</b>	<b>(843,597)</b>	<b>(2,668,334)</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Changes in the fair value of available-for-sale financial assets	(13,289)	16,538
Exchange differences on translation of foreign operations	451,704	567,380
Tax on items that may be reclassified subsequently to profit or loss	-	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>438,415</b>	<b>583,918</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>438,415</b>	<b>583,918</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>(405,182)</b>	<b>(2,084,416)</b>
Profit for the year attributable to Owners of the parent	(405,182)	(2,084,416)
<b>Total comprehensive income (loss) attributable to Owners of the parent</b>	<b>(405,182)</b>	<b>(2,084,416)</b>
<b>Earnings per share</b>		
Basic earnings/(loss) per share (cents per share)	(0.2)	(0.7)
Diluted earnings/(loss) per share (cents per share)	(0.2)	(0.7)

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position

	Economic Entity 31 Dec 2014 (\$)	Economic Entity 30 Jun 2014 (\$)
<b>Current assets</b>		
Cash and cash equivalents	10,371,339	8,562,422
Trade and other receivables	3,765,668	3,839,033
<b>Total current assets</b>	<b>14,137,007</b>	<b>12,401,455</b>
<b>Non-current assets</b>		
Financial assets	1,354,469	1,284,708
Property, plant and equipment	813,207	845,024
Goodwill	599,902	522,726
Intangible Assets	203,785	237,750
Deferred Tax Assets	475,606	2,179,583
<b>Total non-current assets</b>	<b>3,446,969</b>	<b>5,069,791</b>
<b>TOTAL ASSETS</b>	<b>17,583,976</b>	<b>17,471,246</b>
<b>Current liabilities</b>		
Trade and other payables	2,551,561	2,604,229
Provisions	790,777	796,391
<b>Total current liabilities</b>	<b>3,342,338</b>	<b>3,400,620</b>
<b>Non-current liabilities</b>		
Provisions	80,404	72,554
<b>Total non-current liabilities</b>	<b>80,404</b>	<b>72,554</b>
<b>TOTAL LIABILITIES</b>	<b>3,422,742</b>	<b>3,473,174</b>
<b>NET ASSETS</b>	<b>14,161,234</b>	<b>13,998,072</b>
<b>EQUITY</b>		
Share capital	61,270,568	60,728,603
Reserves	942,891	478,097
Accumulated losses	(48,052,225)	(47,208,628)
<b>TOTAL EQUITY</b>	<b>14,161,234</b>	<b>13,998,072</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity

Economic Entity 2014	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Revaluation Reserve \$	Total \$
<b>Equity as at July 1 2014</b>	<b>60,728,603</b>	<b>(47,208,628)</b>	<b>(399,804)</b>	<b>770,158</b>	<b>107,743</b>	<b>13,998,072</b>
Profit (Loss) for the half year	-	(843,597)	-	-	-	(843,597)
Other comprehensive income / (loss)	-	-	451,704	-	(13,289)	438,415
<b>Total Comprehensive income for the half year</b>	<b>-</b>	<b>(843,597)</b>	<b>451,704</b>	<b>-</b>	<b>(13,289)</b>	<b>(405,182)</b>
<b>Transactions with owners in their capacity as owners</b>						
Issue of shares	363,750	-	-	-	-	363,750
Option reserve	-	-	-	213,326	-	213,326
Exchange difference on option reserve	-	-	-	(8,732)	-	(8,732)
Transfer on exercise of options	178,215	-	-	(178,215)	-	-
Transfer on lapsing of options	-	-	-	-	-	-
<b>Subtotal</b>	<b>541,965</b>	<b>-</b>	<b>-</b>	<b>26,379</b>	<b>-</b>	<b>568,344</b>
<b>Equity as at 31 Dec 2014</b>	<b>61,270,568</b>	<b>(48,052,225)</b>	<b>51,900</b>	<b>796,537</b>	<b>94,454</b>	<b>14,161,234</b>

Economic Entity 2013	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Revaluation Reserve \$	Total \$
<b>Equity as at July 1 2013</b>	<b>60,014,229</b>	<b>(43,721,903)</b>	<b>(1,282,118)</b>	<b>872,237</b>	<b>29,192</b>	<b>15,911,637</b>
Profit (Loss) for the half year	-	(2,668,334)	-	-	-	(2,668,334)
Other comprehensive income / (loss)	-	-	567,380	-	16,538	583,918
<b>Total Comprehensive income for the half year</b>	<b>-</b>	<b>(2,668,334)</b>	<b>567,380</b>	<b>-</b>	<b>16,538</b>	<b>(2,084,416)</b>
<b>Transactions with owners in their capacity as owners</b>						
Issue of shares	289,501	-	-	-	-	289,501
Option expense	-	-	-	132,016	-	132,016
Exchange difference on option reserve	-	-	-	5,143	-	5,143
Transfer on exercise of options	424,873	-	-	(424,873)	-	-
Transfer on lapsing of options	-	-	-	-	-	-
<b>Subtotal</b>	<b>714,374</b>	<b>-</b>	<b>-</b>	<b>(287,714)</b>	<b>-</b>	<b>426,660</b>
<b>Equity as at 31 Dec 2013</b>	<b>60,728,603</b>	<b>(46,390,237)</b>	<b>(714,738)</b>	<b>584,523</b>	<b>45,730</b>	<b>14,253,881</b>

The accompanying notes form part of these financial statements.



# Consolidated Statement of Cash Flows

	Economic Entity Half Year 2014 (\$)	Economic Entity Half Year 2013 (\$)
<b>Cash from operating activities:</b>		
Receipts from customers	10,708,257	8,943,501
Payments to suppliers and employees	(9,850,260)	(9,124,636)
Restructure and acquisition costs	(20,391)	(435,489)
Income Tax (Paid) / Received	575,709	-
Interest received	36,250	36,701
<b>Net cash (used by)/provided from operating activities</b>	<b>1,449,565</b>	<b>(579,923)</b>
<b>Cash flows from investing activities:</b>		
Dividends received	1,604	3,206
Payments for property, plant and equipment	(95,789)	(106,557)
Proceeds/ (payment) for Investments	(77,022)	65,352
Payments for business	-	(66,050)
Payments for intangible assets	-	-
<b>Net cash used in investing activities</b>	<b>(171,207)</b>	<b>(104,049)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from the issue of share capital	150,000	-
Share issue transaction costs	-	-
<b>Net cash provided by financing activities</b>	<b>150,000</b>	<b>-</b>
Net cash increase (decrease) in cash and cash equivalents	1,428,358	(683,972)
Cash and cash equivalents at beginning of year	8,562,422	8,061,090
Effect of exchange rates on cash holdings in foreign currencies	380,559	569,509
<b>Cash and cash equivalents at end of year</b>	<b>10,371,339</b>	<b>7,946,627</b>

The accompanying notes form part of these financial statements.

# Notes to the Accounts

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (a) General information

The half-year financial report is a general purpose financial report that covers the consolidated position of Praemium Limited and controlled entities. Praemium Limited is a listed public company, incorporated and domiciled in Australia.

This half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2014 and any public announcements made by Praemium Ltd during the half year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The financial report for this half year is prepared in accordance with the same accounting policies, methods and computations as those used in the financial report for the year ended 30 June 2014.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### (b) Basis of preparation

The financial report of Praemium Limited and controlled entities has been prepared in accordance with AASB 134 "Interim Financial Reporting".

#### (i) Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

The accounting policies set out below have been consistently applied to all years presented.

#### (ii) Adoption of new and revised accounting standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) which are mandatory to apply to the current interim period. Disclosures required by these standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

## 2. SEGMENT REPORTING

### (a) Description of segments

Management has determined the operating segments based on the reports reviewed by the executive committee that are used to make strategic decisions. The committee considers performance on a geographic basis and has identified 3 reportable segments, being Australia, United Kingdom and Asia.

**(b) Segment information provided to the board of directors**

The following table's present information for reportable segments for the half year ended 31 December 2014 and 31 December 2013:

Half Year ended 31 December 2014	Australia Half Year 2014 \$	UK Half Year 2014 \$	Asia Half Year 2014 \$	Total Half Year 2014 \$
<b>REVENUE</b>				
Total Segment Revenue	8,016,765	1,422,833	496,866	9,936,464
Intersegment Revenue	-	-	-	-
<b>Revenue from External Customers</b>	<b>8,016,765</b>	<b>1,422,833</b>	<b>496,866</b>	<b>9,936,464</b>
<b>EBITDA Profit/(Loss) excluding Group overheads</b>	<b>3,771,522</b>	<b>(2,001,312)</b>	<b>(492,849)</b>	<b>1,277,361</b>
<b>EBITDA Profit/(Loss) including Group overheads</b>	<b>3,451,633</b>	<b>(2,001,312)</b>	<b>(492,849)</b>	<b>957,472</b>
Interest	36,215	(11)	46	36,250
Interest Intercompany and Margin	535,957	(524,084)	(11,873)	-
Depreciation	(112,724)	(56,734)	(7,977)	(177,435)
Unrealised FX	121,343	(3)	11,099	132,439
Unit Trust Income	1,604	-	-	1,604
Restructure and acquisition costs	(13,983)	-	(6,408)	(20,391)
Withholding Tax	(53,596)	-	-	(53,596)
<b>Net Profit/(Loss) Before Tax</b>	<b>3,966,449</b>	<b>(2,582,144)</b>	<b>(507,962)</b>	<b>876,343</b>
Segment Assets	12,806,264	3,646,424	1,131,288	17,583,976
Segment Liabilities	(2,284,887)	(1,126,840)	(11,015)	(3,422,742)
Employee Benefits Expense	3,653,052	3,343,547	831,507	7,828,106
Additions to non-current assets (other than financial assets, deferred tax, post-employment benefit assets, rights arising under insurance contracts)	65,450	24,251	6,088	95,789

Half Year ended 31 December 2013	Australia Half Year 2013 \$	UK Half Year 2013 \$	Asia Half Year 2013 \$	Total Half Year 2013 \$
<b>REVENUE</b>				
Total Segment Revenue	7,312,713	1,120,897	36,671	8,470,281
Intersegment Revenue	(82,528)	-	-	(82,528)
<b>Revenue from External Customers</b>	<b>7,230,185</b>	<b>1,120,897</b>	<b>36,671</b>	<b>8,387,753</b>
<b>EBITDA Profit/(Loss) excluding Group overheads</b>	<b>3,198,167</b>	<b>(2,330,743)</b>	<b>(630,132)</b>	<b>237,292</b>
<b>EBITDA Profit/(Loss) including Group overheads</b>	<b>2,797,907</b>	<b>(2,330,743)</b>	<b>(630,132)</b>	<b>(162,968)</b>
Interest	36,677	-	24	36,701
Interest Intercompany and Margin	358,504	(358,504)	-	-
Depreciation	(118,509)	(47,467)	(4,360)	(170,336)
Unrealised FX	72,630	(11)	1,582	74,201
Unit Trust Income	7,036	-	-	7,036
Restructure and acquisition costs	(7,500)	(265,619)	(162,370)	(435,489)
Withholding Tax	(35,231)	-	-	(35,231)
<b>Net Profit/(Loss) Before Tax</b>	<b>3,111,514</b>	<b>(3,002,344)</b>	<b>(795,256)</b>	<b>(686,086)</b>
Segment Assets	13,489,111	3,024,550	772,489	17,286,150
Segment Liabilities	(2,003,734)	(1,022,512)	(6,023)	(3,032,269)
Employee Benefits Expense	3,838,026	2,833,772	561,431	7,233,229
Additions to non-current assets (other than financial assets, deferred tax, post-employment benefit assets, rights arising under insurance contracts)	28,244	76,742	1,571	106,557

### (c) Reconciliations

#### (i) Revenue

A reconciliation of segment revenue to entity revenue is provided as follows:

	Half Year 2014 (\$)	Half Year 2013 (\$)
Segment Revenue	9,936,464	8,387,753
Interest Income from other parties	36,250	36,701
Unit Trust Distributions	1,604	7,036
<b>Total revenue</b>	<b>9,974,318</b>	<b>8,431,490</b>

#### (ii) EBITDA

A reconciliation of EBITDA to operating profit before income tax is provided as follows:

EBITDA Profit (Loss)	957,472	(162,968)
Depreciation and Amortisation	(177,435)	(170,336)
Interest Revenue	36,250	36,701
Unrealised FX	132,439	74,201
Unit Trust Income	1,604	7,036
Restructure and acquisition costs	(20,391)	(435,489)
Withholding Tax	(53,596)	(35,231)
<b>Net Profit/(Loss) Before Tax</b>	<b>876,343</b>	<b>(686,086)</b>

#### (iii) Segment Assets

The amounts provided to the board of directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment. Reportable segments' assets are reconciled to total assets as follows:

Segment Assets	17,583,976	17,286,150
<b>Total Assets as per the statements of financial position</b>	<b>17,583,976</b>	<b>17,286,150</b>

#### (iv) Segment Liabilities

The amounts provided to the board of directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. Reportable segments' assets are reconciled to total liabilities as follows:

Segment Liabilities	3,422,742	3,032,269
<b>Total Liabilities as per the statements of financial position</b>	<b>3,422,742</b>	<b>3,032,269</b>

### (d) Entity-wide information

The entity is domiciled in Australia. The amount of its revenue from external customers in Australia is \$8,016,765 (2013: \$7,230,185) and the total revenue from external customers in other countries is \$1,919,699 (2013: \$1,157,568). Segment revenues are allocated based on the country in which revenue and profit are derived.

## 3. POST BALANCE-SHEET EVENTS

There have been no other matters or circumstances occurring subsequent to the end of the half year that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

# Directors' Declaration

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The Directors declare that the financial statements and notes set out on pages 13 to 19 in accordance with the Corporations Act 2001:

- a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001, and
- b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance as represented by the results of its operations and its cash flows, for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Praemium Limited will be able to pay its debts as and when they become payable.

This declaration is made in accordance with a resolution of Directors.



Bruce Loveday

Chairman

Dated: 20 February 2015

# Independent Auditor's Review Report



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## **Independent Auditor's Review Report To the Members of Praemium Limited**

We have reviewed the accompanying half-year financial report of Praemium Limited ("Company"), which comprises the consolidated financial statements being the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

The directors of Praemium Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Praemium Limited consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Praemium Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Praemium Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

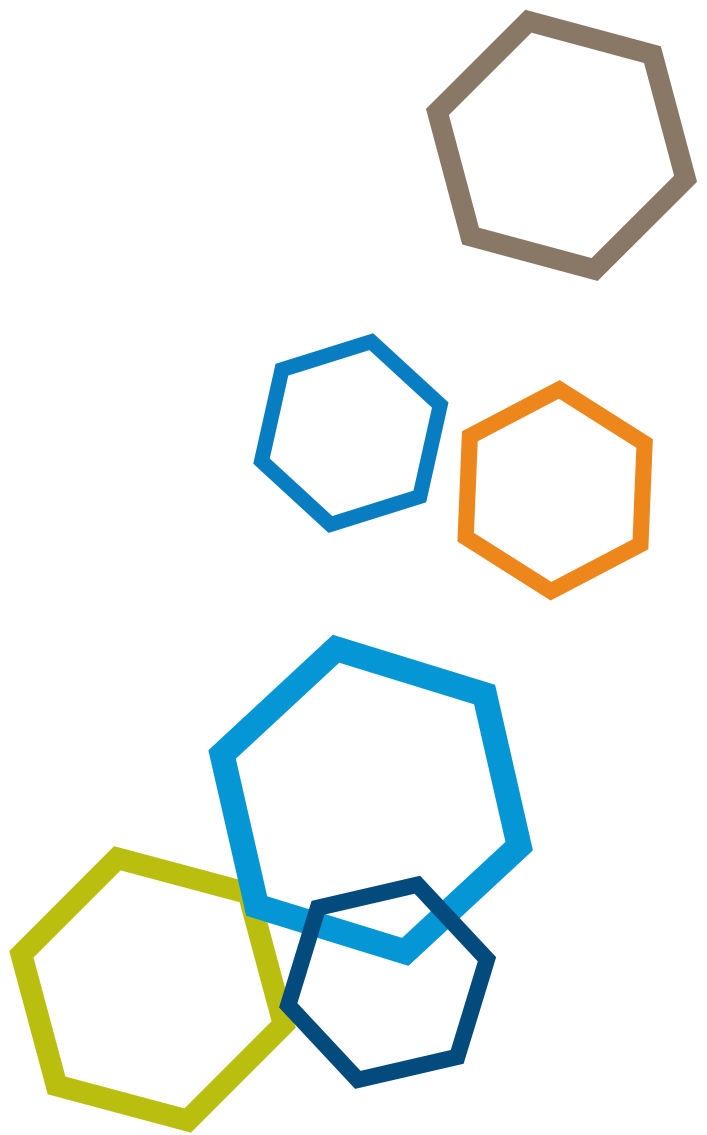


GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Brad Taylor  
Partner - Audit & Assurance

Melbourne, 20 February 2015







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