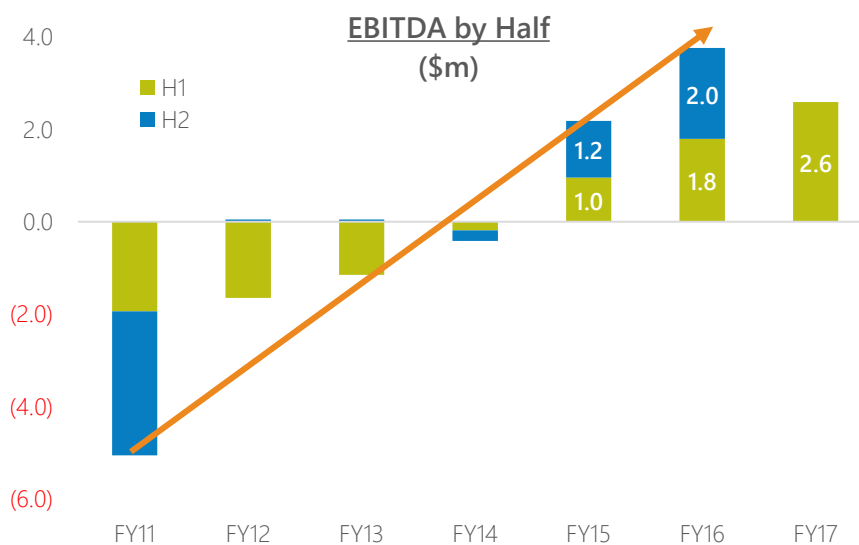


Praemium reports record half-year profit

13 February 2017, Melbourne: Praemium is pleased to provide its financial results for the half year ending 31 December 2016. The key highlights for the period were:

- Record EBITDA of \$2.6 million, a 39% increase on H1 FY16;
- Record revenue and other income of \$17.2 million, a 16% increase on H1 FY16;
- Australian EBITDA of \$4.6 million, with EBITDA margins of 41%;
- Significant reduction in losses of the International businesses, with UK's EBITDA loss reducing by 34% to \$0.7 million and Asia's EBITDA loss reducing by 31% to \$0.8 million; and
- Global FUA increasing by 29% to \$5.4 billion at 31 December 2016, following record inflows for the half.



Commenting on the half-year results, CEO Michael Ohanessian stated, "We are delighted to report another strong result this half, which represents the sixth consecutive half of profit improvement. Growth in recurring revenue streams is generating strong incremental margins. We also continue to invest in product development, sales distribution and implementation, to support record inflows to our SMA investment platform and to drive future sales.

"I'm very pleased with the progress across all our key markets. In Australia the SMA market is expanding quickly now, and in the UK revenue is growing strongly relative to expenses. Our results reflect the delivery of our strategy to provide a fully integrated and value-enhancing solution to financial advice businesses. We are focused on maintaining our growth momentum for the 2017 financial year and beyond."

Australia

The Australian business continued its strong growth this half, with revenue overall increasing by 15% on the first half of FY2016. Record inflows to our SMA investment platform resulted in a 27% increase in SMA revenue, and portfolio services revenue increased 9%, with the migration of the new institutional client to V-Wrap on schedule.

EBITDA for the Australian business was \$4.6 million, compared to \$4.5 million for the first half of FY2016. Headcount in sales, marketing and implementation teams increased almost 30% to support the considerable pipeline of new business and accelerating inflows. This investment to support revenue-generating opportunities is expected to drive earnings growth into the future.

International

The UK business continued its improvement in operating performance this half. UK revenue and other income grew 21%, resulting in a 34% reduction in EBITDA losses. Revenue growth reflected the continuing diversification of revenue streams, with SMA platform and investment management income powered by record fund flows in the half. In local currency, UK revenue and other income was up 51%, of which 2% came from the acquisition of the Wensley Mackay SIPP business in November 2016.

Asia's EBITDA loss decreased by 31% to \$0.8 million with the completion of the development phase of the major Hong Kong-based CRM project. Final project completion and the further reduction of its R&D cost base are expected to see a significant improvement in Asia profitability through 2017.

Looking forward

CEO Michael Ohanessian stated, "Our focus is to deliver sustainable profit growth. In Australia, our expanded sales presence will target significant demand in the SMA platform market. We are also seeing renewed interest in our V-Wrap portfolio administration software following the release of new functionality and several key enhancements.

"Internationally, we are seeing increasing interest in our platform, investment management and CRM solutions. We are delighted to have acquired the Wensley Mackay SIPP pension business during the half to complement our international platform. This acquisition is an important first step to gain a well-run regulated business, albeit with a relatively small pension book of £50 million. Our strategy is therefore to build upon this acquisition, and combined with the current acceleration of platform assets, maintaining our strong momentum will drive the UK business toward profitability."

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

About Praemium (ASX: PPS): 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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