



Preliminary Final Results – For Release to the Market

25 August 2010

Praemium (ASX:PPS) is pleased to provide the attached Preliminary Final Results for its Financial Year ending 30 June 2010 to the market in accordance with the requirements of the ASX Listing Rules.

Highlights

- Revenue and other income \$12.08 million (compared with \$8.95million for FY09) of which A\$835K relates to UK business (compared with \$143K in FY09)
- Group EBITDA a loss of \$5.06million (a 53% improvement from FY09);
- Cash at 30 June 2010 \$5.61million;
- The consolidated loss after income tax attributable to the members of the Group was for the financial year was \$5,723,715, an improvement of 47.6% over the result for FY09 (a loss of \$10,917,219)

About Praemium: Præmium Ltd (ASX:PPS) is one of Australia's leading suppliers of online financial portfolio administration and Separately Managed Account (SMA) technology, administering over AUD 39.7 billion* of assets. Præmium currently provides services to around 500* financial institutions and intermediaries, including some of Australia's largest financial institutions.

*As at 30 June 2010

Appendix 4E

Preliminary Final Report – Results for Announcement to the Market

Name of entity

PRAEMIUM LIMITED

ABN

74 098 405 826

1. Reporting period:

Report for the financial year ended:	30 June 2010
Previous corresponding period is the financial year ended:	30 June 2009

2. Results for announcement to the market:

Revenues from ordinary activities (<i>item 2.1</i>)	up/down 35.3%	to \$11,974,341
(Loss) from ordinary activities after tax attributable to members (<i>item 2.3</i>)	up/down 47.6%	to (\$5,723,715)
Net (Loss) for the period attributable to members (<i>item 2.3</i>)	up/down 47.6%	to (\$5,723,715)

Dividends (<i>item 2.4</i>)	Amount per security	Franked amount per security
Interim dividend	- cents	- cents
Final dividend	- cents	- cents
Record date for determining entitlements to the dividend (<i>item 2.5</i>)		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):		

3. Statement of Comprehensive Income

Refer to Attachment A attached

4. Statement of financial position

Refer to Attachment A attached.

5. Statement of Changes in Equity

Refer to Attachment A attached

6. Statement of Cash Flows

Refer to Attachment A attached

7. Dividends (item 7):

	Date of payment	Total amount of dividend
Interim dividend-year ended 30 June 2010	N/A	\$0.00
Final dividend-year ended 30 June 2010	N/A	\$0.00

Amount per security

	Amount per security	Franked amount per security	Amount per security of foreign sourced dividend
Total dividend: Current Year	- cents	- cents	- cents
Total dividend: Previous Year	- cents	- cents	- cents

8. Details of dividend or distribution reinvestment plans in operation are described below (item 8):

Not applicable.	
The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	Not applicable.

9. Statement of retained earnings (item 9)

Consolidated Entity

	2010	2009
Balance at the beginning of the year	(33,185,463)	(22,281,296)
Net profit attributable to members of the parent entity	(5,723,715)	(10,917,219)
Adjustment on introduction to Australian Equivalent to IFRS		
Total available for appropriation		
Dividends paid		
Lapsing of Options	152,440	13,052
Balance at end of year	(38,756,738)	(33,185,463)

10. Net tangible assets per security (item 10)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.025	\$0.027

11. Details of entities over which control has been gained or lost during the period: (item 11)**Control gained over entities/acquisitions**

Name of entities	Date(s) of gain of control
Not applicable	

Loss of control of entities/Disposals

Name of entities	Date(s) of loss of control
Not applicable	

12. Details of associates and joint venture entities (item 12)

Name of associate or joint venture entity (item 12.1)	% Securities held (item 12.2)
Non applicable	

Aggregate share of profits (losses) of associates and joint venture entities (item 12.3)**13. Details significant information relating to the entity's financial performance and financial position.****Results**

The consolidated loss after income tax attributable to the members of the company was \$5,723,715.

The Group's net asset position at 30 June 2010 was \$5,157,057 with \$5,614,270 held in cash or cash equivalents. The Group is debt free.

Significant Change in the State of Affairs

None applicable

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future Developments

The company will continue its activities as outlined in its prospectus dated 13 April 2006 and subsequent disclosures to ASX. In the opinion of the Directors, disclosure of any further information would be likely to result in unreasonable prejudice to the consolidated entity.

Dividend Recommended, Declared or Paid

The Company has not recommended, declared or paid a dividend in respect of the full year result.

14. This item relates to foreign entities and is not applicable to the company (item 14)

15. Commentary on the results for the period (item 15).

The Company and its controlled entities made a full year net loss of \$5,723,715 after tax. This compares to a net loss in the prior year of \$10,917,219 after tax in 2009.

Total consolidated revenue and other income for this period is \$12,084,309 compared to the preceding period of \$8,949,129, an increase of 35%. The growth in billed and committed portfolios for the same period of 44,167 compared to 41,296 for the preceding period, is an increase of 7%.

Basic earnings/(loss) per share for this period is (3.0 cents) and diluted earnings/(loss) per share was (2.9cents), whilst for the preceding period basic and diluted earnings(loss) per share was (6.7cents).

Segment Reporting

2010	Australia	United Kingdom	Total
Revenue			
Total segment revenue	11,367,121	2,680,604	14,047,725
Inter-segment revenue	(364,389)	(1,845,718)	(2,210,107)
Revenue from external customers	11,002,732	834,886	11,837,618
EBITDA (loss)	(1,385,587)	(3,675,342)	(5,060,929)
Segment assets	8,174,340	2,399,167	10,573,507
Segment liabilities	(4,117,628)	(1,298,822)	(5,416,450)
Employee benefits expense	7,294,129	3,951,685	11,245,814
Additions to non-current assets (other than financial assets, deferred tax, post-employment benefit assets, rights arising under insurance contracts)	111,837	64,242	176,079

Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The preliminary financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The preliminary financial report covers the consolidated group of Praemium Limited and its controlled entities. Praemium Limited is a listed public company, incorporated and domiciled in Australia.

The preliminary financial report of Praemium Limited and its controlled entities complies with all International

Attachment A

Praemium Limited

ACN 098 405 826

Income Statements For the Year Ended 30 June 2010

	2010 \$	2009 \$
Revenue	11,974,341	8,849,278
Other income	109,968	99,851
Employee costs	(11,245,814)	(12,983,107)
Depreciation, amortisation and impairments	(570,677)	(587,959)
Legal, professional, advertising and insurance expense	(3,132,399)	(3,407,838)
IT support	(765,967)	(743,597)
Commissions expense	(229,898)	(237,125)
Travel expenses	(359,112)	(438,730)
Occupancy costs	(873,932)	(956,063)
Net foreign exchange losses	(72,927)	(22,511)
Telecommunication costs	(220,827)	(307,683)
Impairment of available for sale financial assets	-	(168,548)
Other expenses	(105,583)	(11,288)
Withholding tax not recoverable	(228,833)	-
Finance costs	(2,055)	(1,899)
Loss before income tax expense	(5,723,715)	(10,917,219)
Income tax expense	-	-
Loss attributable to members of the Group	(5,723,715)	(10,917,219)
Other comprehensive income		
Changes in the fair value of available-for-sale financial assets	(13,889)	99,307
Exchange differences on translation of foreign operations	(205,502)	(38,950)
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income/(loss) for the year, net of tax	(219,391)	60,357
Total comprehensive income/(loss) attributable to members of the Group	(5,943,106)	(10,856,862)
Basic earnings/(loss) per share (cents per share)	(0.030)	(0.067)
Diluted earnings/(loss) per share (cents per share)	(0.029)	(0.067)

Praemium Limited

ACN 098 405 826

Balance Sheets
For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Current assets		
Cash and cash equivalents	5,614,270	5,620,129
Trade and other receivables	3,372,611	2,978,022
Total current assets	<u>8,986,881</u>	<u>8,598,151</u>
Non-current assets		
Other Financial assets	232,008	149,258
Property, plant and equipment	1,354,618	1,891,823
Total non-current assets	<u>1,586,626</u>	<u>2,041,081</u>
TOTAL ASSETS	<u><u>10,573,507</u></u>	<u><u>10,639,232</u></u>
Current liabilities		
Trade and other payables	4,632,118	5,329,712
Provisions	734,001	778,825
Total current liabilities	<u>5,366,119</u>	<u>6,108,537</u>
Non-current liabilities		
Provisions	50,331	81,742
Total non-current liabilities	<u>50,331</u>	<u>81,742</u>
TOTAL LIABILITIES	<u>5,416,450</u>	<u>6,190,279</u>
NET ASSETS	<u><u>5,157,057</u></u>	<u><u>4,448,953</u></u>
EQUITY		
Share capital	44,847,706	38,476,239
Reserves	(933,911)	(841,823)
Accumulated losses	(38,756,738)	(33,185,463)
TOTAL EQUITY	<u><u>5,157,057</u></u>	<u><u>4,448,953</u></u>

Appendix 4E

Praemium Limited ACN 098 405 826

Statements of Changes in Equity

For the Year Ended 30 June 2010

	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Revaluation Reserve	Total
Consolidated Entity 2010	\$	\$	\$	\$	\$	\$
Equity as at beginning of period	38,476,239	(33,185,463)	(1,064,795)	222,972	-	4,448,953
Loss attributable to members of the parent entity	-	(5,723,715)	-	-	-	(5,723,715)
Other comprehensive income / (loss)	-	-	(205,502)	-	(13,889)	(219,391)
Total comprehensive income/(loss) for the year	-	(5,723,715)	(205,502)	-	(13,889)	(5,943,106)
Transactions with owners in their capacity as owners						
Issue of shares	6,371,467	-	-	-	-	6,371,467
Option expense	-	-	-	277,287	-	277,287
Exchange difference on option reserve	-	-	-	2,456	-	2,456
Transfer on lapsing of options	-	152,440	-	(152,440)	-	-
	6,371,467	152,440	-	127,303	-	6,651,210
Equity as at 30 June 2010	44,847,706	(38,756,738)	(1,270,297)	350,275	(13,889)	5,157,057

Praemium Limited
ACN 098 405 826

Statements of Changes in Equity

For the Year Ended 30 June 2010

	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Revaluation Reserve	Total
	\$	\$	\$	\$	\$	\$
Consolidated Entity 2009						
Equity as at beginning of period	38,359,200	(22,281,296)	(1,025,845)	27,888	(99,307)	14,980,640
Loss attributable to members of the parent entity	-	(10,917,219)	-	-	-	(10,917,219)
Other comprehensive income / (loss)	-	-	(38,950)	-	99,307	60,357
Total comprehensive income/(loss) for the year	-	(10,917,219)	(38,950)	-	99,307	(10,856,862)
Transactions with owners in their capacity as owners						
Issue of shares	117,039	-	-	-	-	117,039
Option expense	-	-	-	204,985	-	204,985
Exchange difference on option reserve	-	-	-	3,151	-	3,151
Transfer on lapsing of options	-	13,052	-	(13,052)	-	-
	117,039	13,052	-	195,084	-	325,175
Equity as at 30 June 2009	38,476,239	(33,185,463)	(1,064,795)	222,972	-	4,448,953

Praemium Limited

ACN 098 405 826

Cash Flow Statements**For the Year Ended 30 June 2010**

	2010 \$	2009 \$
Cash from operating activities:		
Receipts from customers	12,076,626	11,315,170
Payments to suppliers and employees	(17,895,212)	(18,800,006)
Interest received	102,716	333,345
Net cash (used by) /provided from operating activities	(5,715,870)	(7,151,491)
Cash flows from investing activities:		
Unit trust distributions received	34,002	14,567
Payments for property, plant and equipment	(176,079)	(270,138)
Acquisition of unit trust	(96,639)	-
Net cash used in investing activities	(238,716)	(255,571)
Cash flows from financing activities:		
Proceeds from the issue of share capital	6,491,865	-
Share issue transaction costs	(345,337)	-
Net cash provided by financing activities	6,146,528	-
Net cash increase (decreases) in cash and cash equivalents	191,942	(7,407,062)
Cash and cash equivalents at beginning of year	5,620,129	13,086,527
Effect of exchange rates on cash holdings in foreign currencies	(197,801)	(59,336)
Cash and cash equivalents at end of year	5,614,270	5,620,129