

# 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 2008
Previous corresponding period is the financial year ended:	30 June 2007

### 2. Results for announcement to the market:

Revenues from ordinary activities ( <i>item 2.1</i> )	up/down 44.7%	to \$7,476,484
Profit/(Loss) from ordinary activities after tax attributable to members ( <i>item 2.3</i> )	up/down 27.0%	to (\$11,988,578)
Net profit/(Loss) for the period attributable to members ( <i>item 2.3</i> )	up/down 27.0%	to (\$11,988,578)

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. Income Statement

Refer to Attachment A attached

### 4. Balance Sheet

Refer to Attachment A attached.

### 5. Statement of Changes in Equity

Refer to Attachment A attached

### 6. Cash Flow Statement

Refer to Attachment A attached

Refer to the Financial Statements attached.

**7. Dividends (item 7):**

	Date of payment	Total amount of dividend
Interim dividend-year ended 30 June 2008	N/A	\$0.00
Final dividend-year ended 30 June 2008	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

	2008	2007
Balance at the beginning of the year	(11,608,707)	(2,169,814)
<b>Net profit attributable to members of the parent entity</b>	<b>(11,988,578)</b>	<b>(9,438,893)</b>
Adjustment on introduction to Australian Equivalent to IFRS		0
Total available for appropriation		0
Dividends paid		0
Lapsing of Options	14,838	
<b>Balance at end of year</b>	<b>(23,582,447)</b>	<b>(11,608,707)</b>

**10. Net tangible assets per security (item 10)**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.084	\$0.131

**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 \$11,988,578.

The Group's net asset position at 30 June 2008 was \$13,712,556 with \$13,086,527 held in cash or cash equivalents. The Group is debt free.

### Significant Change in the State of Affairs

A share placement occurred on 26 May 2008 under which \$8,000,000 at \$0.40 per share was raised.

### 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 \$11,988,578 after tax. This compares to a net loss in the prior year of \$9,438,893 after tax in 2007.

Total consolidated revenue from ordinary activities for this period is \$7,476,484 compared to the preceding period of \$5,165,025, an increase of 44.7%. The growth in billed and committed portfolios for the same period of approximately 37,000 compared to approximately 22,800 for the preceding

period, is an increase of 62.3%.

Basic earnings/(loss) per share for this period is (8.3 cents) and diluted earnings/(loss) per share was (8.3cents), whilst for the preceding period basic and diluted earnings(loss) per share was (7.1cents).

### Segment Reporting

	<b>Australia 2008 \$</b>	<b>United Kingdom 2008 \$</b>	<b>Consolidated Entity 2008 \$</b>
<b>REVENUE</b>			
Sales of services - external customers	6,248,217	127,579	6,375,796
Intersegment sales	-	1,733,053	1,733,053
Total sales revenue	6,248,217	1,860,632	8,108,849
Other revenue	475,863	214,807	690,670
<b>Total segment revenue</b>	<b>6,724,080</b>	<b>2,075,439</b>	<b>8,799,519</b>
Intersegment elimination			(1,733,053)
<b>Total revenue</b>			<b>7,066,466</b>
<b>RESULT</b>			
Net profit/(loss) for the year	(5,181,637)	(6,806,941)	(11,988,578)
<b>ASSETS</b>			
Segment assets	11,893,236	5,547,746	17,440,982
<b>Total assets</b>			<b>17,440,982</b>
<b>LIABILITIES</b>			
Segment liabilities	2,351,843	1,376,587	3,728,430
<b>Total liabilities</b>			<b>3,728,430</b>
<b>OTHER</b>			
Acquisitions of plant and equipment	731,476	99,129	830,605
Depreciation and amortisation expense	352,357	165,768	518,125

### 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 Financial Reporting Standards (IFRS) in their entirety.

### **Reporting Basis and Conventions**

The preliminary financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### **15. Audit of the financial report (item 15)**

The financial report is in the process of being audited.

### **16. Are the audited accounts subject to review and are subject to dispute or qualification? (item 16)**

At this point in the audit process there have not been any disputes nor issues that will be subject to audit qualification.



Sign here:

(Director)

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Date: 29 August 2008

Print name: ARTHUR NAOUMIDIS.

## Attachment A

### Praemium Limited

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**Income Statements**  
**For the Year Ended 30 June 2008**

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Revenue	<b>7,066,466</b>	4,980,705	<b>2,197,393</b>	3,337,556
Other income	<b>410,018</b>	184,320	<b>396,119</b>	184,320
Employee costs	<b>(12,788,276)</b>	(8,731,931)	<b>(5,169,206)</b>	(3,369,602)
Depreciation, amortisation and impairments	<b>(518,125)</b>	(331,080)	<b>(301,535)</b>	(205,370)
Legal, professional, advertising and insurance expense	<b>(2,747,269)</b>	(2,915,039)	<b>(487,598)</b>	(471,428)
Commissions expense	<b>(205,323)</b>	(193,963)	-	1,833
Travel expenses	<b>(652,094)</b>	(659,602)	<b>(55,001)</b>	(101,660)
IT support expenses	<b>(433,370)</b>	(330,239)	<b>(340,358)</b>	(206,842)
Occupancy costs	<b>(952,472)</b>	(610,050)	<b>(162,651)</b>	(77,219)
Net foreign exchange losses	<b>(206,584)</b>	(272,993)	<b>(1,775,032)</b>	(669,839)
Telecommunication costs	<b>(461,849)</b>	(244,837)	<b>(132,210)</b>	(105,013)
Product development fee to controlled entity	-	-	<b>(1,733,053)</b>	(292,504)
Other expenses	<b>(499,233)</b>	(313,199)	<b>(420,194)</b>	(111,247)
Finance costs	<b>(467)</b>	(985)	<b>(259)</b>	(663)
<b>Loss before income tax expense</b>	<b>(11,988,578)</b>	(9,438,893)	<b>(7,983,585)</b>	(2,087,678)
Income tax expense	-	-	-	-
<b>Loss attributable to members of the parent entity</b>	<b>(11,988,578)</b>	(9,438,893)	<b>(7,983,585)</b>	(2,087,678)
Basic earnings/(loss) per share (cents per share)	<b>(0.083)</b>	(0.071)		
Diluted earnings/(loss) per share (cents per share)	<b>(0.083)</b>	(0.071)		

## Praemium Limited

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### Balance Sheets

For the Year Ended 30 June 2008

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Current assets</b>				
Cash and cash equivalents	<b>13,086,527</b>	16,763,182	<b>3,744,313</b>	14,391,327
Trade and other receivables	<b>2,148,372</b>	1,844,801	<b>581,789</b>	376,434
<b>Total current assets</b>	<b>15,234,899</b>	18,607,983	<b>4,326,102</b>	14,767,761
<b>Non-current assets</b>				
Financial assets	<b>227,002</b>	385,557	<b>5,032,864</b>	388,947
Property, plant and equipment	<b>2,199,685</b>	2,124,099	<b>1,200,734</b>	1,022,396
Intangible assets	-	11,658	-	11,658
Other receivables	-	-	<b>17,638,634</b>	11,558,680
<b>Total non-current assets</b>	<b>2,426,687</b>	2,521,314	<b>23,872,232</b>	12,981,681
<b>TOTAL ASSETS</b>	<b>17,661,586</b>	21,129,297	<b>28,198,334</b>	27,749,442
<b>Current liabilities</b>				
Trade and other payables	<b>3,417,724</b>	2,078,098	<b>1,209,552</b>	789,121
Provisions	<b>492,348</b>	343,627	<b>259,653</b>	166,364
<b>Total current liabilities</b>	<b>3,910,072</b>	2,421,725	<b>1,469,205</b>	955,485
<b>Non-current liabilities</b>				
Provisions	<b>38,958</b>	19,617	<b>29,945</b>	15,816
<b>Total non-current liabilities</b>	<b>38,958</b>	19,617	<b>29,945</b>	15,816
<b>TOTAL LIABILITIES</b>	<b>3,949,030</b>	2,441,342	<b>1,499,150</b>	971,301
<b>NET ASSETS</b>	<b>13,712,556</b>	18,687,955	<b>26,699,184</b>	26,778,141
<b>EQUITY</b>				
Share capital	<b>38,359,200</b>	30,306,672	<b>38,359,200</b>	30,306,672
Reserves	<b>(1,064,197)</b>	(10,010)	<b>(71,419)</b>	91,319
Accumulated losses	<b>(23,582,447)</b>	(11,608,707)	<b>(11,588,597)</b>	(3,619,850)
<b>TOTAL EQUITY</b>	<b>13,712,556</b>	18,687,955	<b>26,699,184</b>	26,778,141

**Praemium Limited**

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**Statements of Changes in Equity****For the Year Ended 30 June 2008**

<b>Consolidated Entity 2008</b>	<b>Ordinary Shares</b>	<b>Accumulated Losses</b>	<b>Foreign Currency Translation Reserve</b>	<b>Option Reserve</b>	<b>Revaluation Reserve</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
<b>Equity as at beginning of period</b>	<b>30,306,672</b>	<b>(11,608,707)</b>	<b>(101,329)</b>	<b>36,528</b>	<b>54,791</b>	<b>18,687,955</b>
Equity raising costs	(538,640)	-	-	-	-	(538,640)
Exchange differences on translation of foreign operations	-	-	(891,449)	-	-	(891,449)
<b>Net income recognised directly in equity</b>	<b>(538,640)</b>	<b>-</b>	<b>(891,449)</b>	<b>-</b>	<b>-</b>	<b>(1,430,089)</b>
Loss attributable to members of the parent entity	-	(11,988,578)	-	-	-	(11,988,578)
<b>Recognised income and expense for the year</b>	<b>(538,640)</b>	<b>(11,988,578)</b>	<b>(891,449)</b>	<b>-</b>	<b>-</b>	<b>(13,418,667)</b>
Issue of shares	8,578,588	-	-	-	-	8,578,588
Revaluation arising from available-for-sale financial assets	-	-	-	-	(154,098)	(154,098)
Option expense	-	-	-	18,778	-	18,778
Transfer on lapsing of options	-	14,838	-	(14,838)	-	-
Transfer on exercise of options	12,580	-	-	(12,580)	-	-
<b>Sub-total</b>	<b>8,591,168</b>	<b>14,838</b>	<b>-</b>	<b>(8,640)</b>	<b>(154,098)</b>	<b>8,443,268</b>
<b>Equity as at 30 June 2008</b>	<b>38,359,200</b>	<b>(23,582,447)</b>	<b>(992,778)</b>	<b>27,888</b>	<b>(99,307)</b>	<b>13,712,556</b>

## Praemium Limited

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### Statements of Changes in Equity For the Year Ended 30 June 2008

Consolidated Entity 2007	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Revaluation Reserve	Total
	\$	\$	\$	\$	\$	\$
Equity as at beginning of period						
<i>As previously reported</i>	19,923,967	(2,207,632)	(12,058)	43,882	-	17,748,159
<i>Effect of correction of error (Refer to note below)</i>	-	37,818	-	(37,818)	-	-
<b>Adjusted equity as at beginning of period</b>	<b>19,923,967</b>	<b>(2,169,814)</b>	<b>(12,058)</b>	<b>6,064</b>	<b>-</b>	<b>17,748,159</b>
Equity raising costs	(551,423)	-	-	-	-	(551,423)
Exchange differences on translation of foreign operations	-	-	(89,271)	-	-	(89,271)
<b>Net income recognised directly in equity</b>	<b>(551,423)</b>	<b>-</b>	<b>(89,271)</b>	<b>-</b>	<b>-</b>	<b>(640,694)</b>
Loss attributable to members of the parent entity						
<i>As previously reported</i>	-	(10,027,947)	-	-	-	(10,027,947)
<i>Effect of correction of error (Refer to note below)</i>	-	589,054	-	-	-	589,054
Adjusted loss attributable to members of the parent entity	-	(9,438,893)	-	-	-	(9,438,893)
<b>Recognised income and expense for the year</b>	<b>(551,423)</b>	<b>(9,438,893)</b>	<b>(89,271)</b>	<b>-</b>	<b>-</b>	<b>(10,079,587)</b>
Issue of shares	10,934,128	-	-	-	-	10,934,128
Revaluation arising from available-for-sale financial assets	-	-	-	-	54,791	54,791
Option expense						
<i>As previously reported</i>	-	-	-	619,518	-	619,518
<i>Effect of correction of error</i>	-	-	-	(589,054)	-	(589,054)
Adjusted option expense	-	-	-	30,464	-	30,464
<b>Sub-total</b>	<b>10,934,128</b>	<b>-</b>	<b>-</b>	<b>30,464</b>	<b>54,791</b>	<b>11,019,383</b>
<b>Equity as at 30 June 2007</b>	<b>30,306,672</b>	<b>(11,608,707)</b>	<b>(101,329)</b>	<b>36,528</b>	<b>54,791</b>	<b>18,687,955</b>

#### Correction of error

Due to calculation errors, employee costs relating to options was overstated by \$589,054 for the year ended 30 June 2007 and by \$37,818 for the year ended 30 June 2006. This error had the effect of overstating the option reserve and accumulated losses by \$626,872 for both the parent entity and consolidated entity as at 30 June 2007. The error also had the effect of overstating employee costs and loss before and after income tax by \$589,054 for both the parent entity and consolidated entity for the year ended 30 June 2007.

The error has been corrected by restating each of the affected financial statement line items for the prior year, as described above.

Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for both basic and diluted earnings per share was a reduction in the loss by \$0.04 cents per share.

## Praemium Limited

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### Cash Flow Statements For the Year Ended 30 June 2008

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Cash from operating activities:</b>				
Receipts from customers	6,793,366	4,025,785	-	250,899
Payments to suppliers and employees	(16,829,153)	(12,666,074)	(7,089,850)	(3,530,590)
Interest received	665,393	712,974	438,319	700,814
Borrowing costs paid	-	(985)	-	(663)
<b>Net cash (used by) /provided from operating activities</b>	<b>(9,370,395)</b>	<b>(7,928,300)</b>	<b>(6,651,531)</b>	<b>(2,579,540)</b>
<b>Cash flows from investing activities:</b>				
Unit trust distributions received	24,657	9,804	24,657	9,804
Payments for property, plant and equipment	(830,605)	(2,079,751)	(603,148)	(847,856)
Acquisition of unit trust	(19,789)	-	(19,789)	-
Payment for shares in controlled entities	-	-	(4,802,472)	-
Proceeds from disposal of property, plant and equipment	-	2,000	-	2,000
Proceeds from disposal of other investments	-	31,170	-	31,170
Loans to related parties - payments made	-	-	(4,456,557)	(8,319,762)
<b>Net cash used in investing activities</b>	<b>(825,737)</b>	<b>(2,036,777)</b>	<b>(9,857,309)</b>	<b>(9,124,644)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from the issue of share capital	8,175,499	10,500,001	8,175,499	10,500,001
Share issue transaction costs	(538,640)	(551,423)	(538,640)	(551,423)
<b>Net cash provided by financing activities</b>	<b>7,636,859</b>	<b>9,948,578</b>	<b>7,636,859</b>	<b>9,948,578</b>
<b>Net cash increase (decreases) in cash and cash equivalents</b>	<b>(2,559,273)</b>	<b>(16,499)</b>	<b>(8,871,981)</b>	<b>(1,755,606)</b>
Cash and cash equivalents at beginning of year	16,763,182	17,063,834	14,391,327	16,816,772
Effect of exchange rates on cash holdings in foreign currencies	(1,117,382)	(284,153)	(1,775,033)	(669,839)
<b>Cash and cash equivalents at end of year</b>	<b>13,086,527</b>	<b>16,763,182</b>	<b>3,744,313</b>	<b>14,391,327</b>