

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Praemium Ltd

ABN

74 098 405 826

Quarter ended ("current quarter")

September 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (...3... months) \$A'000
1.1 Receipts from customers	2,938	2,938
1.2 Payments for		
(a) staff costs	(2,690)	(2,690)
(b) advertising and marketing	(119)	(119)
(c) research and development		
(d) leased assets		
(e) other working capital	(2,157)	(2,157)
1.3 Dividends received	3	3
1.4 Interest and other items of a similar nature received	8	8
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	(2,017)	(2,017)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (...3... months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,017)	(2,017)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(40)	(40)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
	(40)	(40)
Net investing cash flows		
1.14 Total operating and investing cash flows	(2,057)	(2,057)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
	-	-
Net financing cash flows		
Net increase (decrease) in cash held	(2,057)	(2,057)
1.21 Cash at beginning of quarter/year to date	5,620	5,620
1.22 Exchange rate adjustments to item 1.20	(186)	(186)
1.23 Cash at end of quarter	3,377	3,377

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	40
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> 1.24 \$40,000 salaries and benefits to non executives paid as director fees. </div>	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,103	3,190
4.2 Deposits at call	1,274	2,430
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	3,377	5,620

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date:
 (Director/Company secretary)

Print name:

Notes

+ See chapter 19 for defined terms.

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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30 October 2009

Appendix 4C Quarterly Report - Commentary

Praemium Limited (ASX:PPS) has released the following additional commentary in relation to its Appendix 4C report, for the period 1st July to 30th September 2009.

The following table summarises key comparative measures for the last five quarters:

Quarter	Revenue	Receipts	Nbr Portfolios	Australia		UK
				V-Wrap	FUA	SMA FUM
Sep-08	\$1,954 K	\$1,824 K	39,103	\$27.9 bn	\$283 mn	-
Dec-08	\$1,485 K	\$1,328 K	40,651	\$26.5 bn	\$286 mn	-
Mar-09	\$2,976 K	\$2,247 K	40,529	\$27.4 bn	\$293 mn	-
Jun-09	\$2,170 K	\$4,796K	41,296	\$31.6 bn	\$329 mn	£11.4 mn
Sep-09	\$2,362 K	\$2,938K	41,043	\$36.7 bn	\$415 mn	£17.5 mn

Several observations that add some detail to the above items are:

- 1) A number of portfolios which went to cash during FY09, were removed from the service once the tax reporting had been completed for the June 09 tax year end. The Company also voluntarily terminated the service to a handful of small clients that were consistently not meeting Praemium's payment terms. This contributed to a marginal decrease in V-Wrap portfolios in the September quarter.
- 2) October has seen strong net growth in V-Wrap, with portfolio numbers as at 28 October reaching 41,585.
- 3) In the UK, the first of our two largest clients, Foster Denovo, went 'live' in October and has commenced processing applications. FUM as at 23 October was £22.2 million with a further £7 million in applications outstanding. We expect to start receiving applications from the Succession group over the next few weeks.
- 4) Following successful completion of the recent private placement, the Group's cash reserves at 23 October 2009 were more than \$6.7million. The Company has also announced a fully underwritten Rights Issue raising a further \$2.775m.

For further information contact Arthur Naoumidis, Group CEO, on +61 3 8622 1233