



2010 Half Year Results

26 February 2010

Praemium (ASX:PPS) is pleased to release its results for the first half of FY2010.

Attached to the results is a presentation which will accompany a Board Room Radio Broadcast to be recorded by the Group CEO Mr Arthur Naoumidis and released later today. The broadcast will be accessible from the Company's website under Boardroom Radio section

(<http://www.praemium.com.au/boardroom-radio.html>).

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 38.9 billion* of assets. Præmium currently provides services to around 500* financial institutions and intermediaries, including some of Australia's largest financial institutions.

*As at 31 December 2009

PRAEMIUM LIMITED

098 405 826

APPENDIX 4D

ASX HALF-YEAR REPORT

Name of entity:	Praemium Limited
ABN:	74 098 405 826
Reporting period:	Half-year ended 31 December 2009
Previous corresponding period:	Half-year ended 31 December 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

RESULTS

Revenue from ordinary activities	increased 42.7% to 5,328,528
Loss from ordinary activities after tax attributable to members	decreased 40% to (3,970,844)
Net loss for the period attributable to members	decreased 40% to (3,970,844)

Dividends	Amount per security	Franked amount per security
Current period	-	-
Ordinary dividend	-	-
Previous corresponding period	-	-
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.

No dividends have been proposed for the period.

Praemium Limited

ACN 098 405 826

Directors' Report

26 February, 2010

NOTES TO APPENDIX 4D – FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NET TANGIBLE ASSETS PER SECURITY

	Current period	Previous period
Net tangible asset backing per ordinary security	3.2 cents	5.1 cents

CONTROL GAINED OVER ENTITIES HAVING A MATERIAL EFFECT

Name of entity (or group of entities)	N/A
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LOSS OF CONTROL OF ENTITIES HAVING A MATERIAL EFFECT

Name of entity (or group of entities)	N/A
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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.

Praemium Limited

ACN 098 405 826

Directors' Report

26 February, 2010

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Name of 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	-	-
Contribution to net profit after tax	-	-

COMPLIANCE STATEMENT

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

Signed:



Arthur Naoumidis
Managing Director
26 February 2010

Praemium Limited

ACN 098 405 826

Directors' Report

26 February, 2010

CONTENTS

Results for announcement to the market	1
Directors' Report	5
Directors' Names	5
Review of Operations	5
Auditor's Independence Declaration	11
Accounts for the Half year ending 31 December 2009	12
Consolidated Statement of Comprehensive Income	12
Consolidated statement of Financial Position	13
Consolidated changes of Statement of Changes in Equity	14
Consolidated Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Notes to the Accounts	17
1 Statement of Significant Accounting Policies	17
2 Segment Reporting	19
Directors' Declaration	21
Independent Auditor's Review Report	22

DIRECTORS' REPORT

The directors present their report, together with the condensed financial report of the consolidated entity consisting of Praemium Limited and the entities it controls, for the half year ended 31 December 2009, and an independent review report thereon.

This financial report has been prepared in accordance with Australian International Financial Reporting Standards.

DIRECTORS' NAMES

Each of the persons named below held the office of director since prior to the start of the financial period:

Dr Don Stammer
Mr Arthur Naoumidis
Mr Robert Edgley
Mr John Bryson
Ms Cathryn Nolan

REVIEW OF OPERATIONS

FINANCIAL SUMMARY

	Revenue ('000)		Costs including R&D expense ('000)		EBITDA ('000)	
	1HFY09	1HFY10	1HFY09	1HFY10	1HFY09	1HFY10
Praemium Australia Pty Ltd						
V-Wrap (including p-Desktop)	3,218	4,909	2,309	2,691	909	2,218
SMA	135	190	579	657	(444)	(467)
Total Praemium Australia Pty Ltd	3,353	5,099	2,888	3,348	465	1,751
United Kingdom	55	144	3,021	2,159	(2,966)	(2,015)
Corporate	32	45	4,149	3,515	(4,117)	(3,470)
Total Group	3,440	5,288	10,058	9,022	(6,618)	(3,734)

CAPITAL RAISING

During the half year the Company issued additional capital by way of a private placement to institutional and sophisticated investors (issuing a total of 24.5million shares to raise \$3.675million) and a fully underwritten rights issue to existing shareholders (issuing a total of 18,779,103 shares to

Praemium Limited

ACN 098 405 826

Directors' Report

26 February, 2010

raise \$2.816 million). The funds were raised for general working capital purposes, including continuing to grow and expand Praemium's businesses in both Australia and the UK.

COMMENTS ON FINANCIAL PERFORMANCE

The period saw significant improvement in the Company's financial performance, driven by both increasing revenues and decreasing costs. This trend of improved financial performance is expected to continue over the second half of FY10.

At the beginning of the half year the Group commenced an operational restructure of its UK business which aimed to reduce the level of the UK business operating costs (based on the run rate for the last quarter of FY2008/9) by £2million. The reductions in costs were made up by restructuring the UK workforce (and implementing a number of redundancies) and by reducing overhead costs.

We are seeing many of the benefits from these cost savings start to flow through the UK business, although we have incurred some additional expenses that weren't previously budgeted for. These expenses are associated with managing our employee resources through the transition and the prudent expensing of the cost of fund brokerage and trustee fees that may be recoverable from the funds in the future. For the full year, we expect that the actual total U.K cost saving achieved will be in the order of £1.5million.

WRITEBACKS

Changes to income tax legislation, effective 1 July 2008, required the write back of \$209,196 withholding tax receivable in December 2009.

ALL R&D IS EXPENSED

The Group continues to be conservative and chooses to expense all development charges. These charges in the six months to December 2009 were approximately \$1.3M whilst the similar period in 2008 were approximately \$2.1M

SIGNIFICANT ACHIEVEMENTS

AUSTRALIAN OPERATIONS & BUSINESS

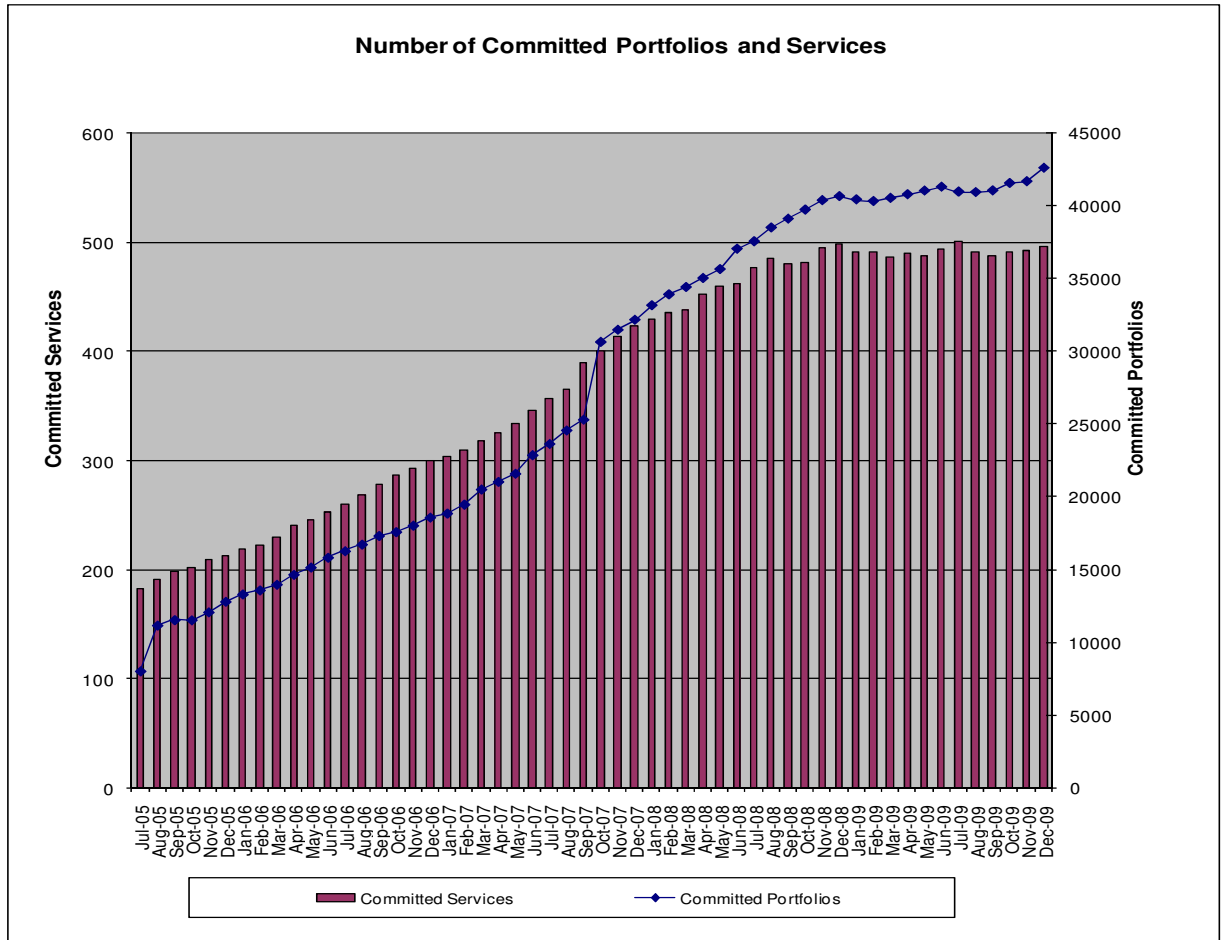
- Praemium's Australian business continued to see growth in its Accounting, SMSF, and financial planning client base.
- V-Wrap portfolio numbers continued to grow during the first half of the current financial year with strong growth achieved in the December quarter (which saw 1,500 new portfolios added to V-Wrap).

Praemium Limited

ACN 098 405 826

Directors' Report

26 February, 2010



- E*TRADE Australia launched its Tax Tools service in July 2009 powered by Praemium's V-Wrap technology, enabling Australia's second largest online broking firm to deliver basic tax reports to all of its active clients.

In November 2009 E*TRADE won Money Magazine's Gold Award for Best Innovative Products (Investing) for the Tax Tools service powered by Praemium's V-Wrap technology.

The E*TRADE Agreement creates the potential to significantly increase Praemium's revenue as the next stages of the project are completed and E*TRADE releases access to Praemium's full service reporting functionality to its retail client base. Praemium expects E*TRADE Australia to be in a position to release that additional functionality shortly, in readiness for the 2010 reporting season.

E*TRADE paid Praemium a significant upfront fee on signing the agreement (June 09) and a further significant amount was paid on launch of the first phase of reporting tools shortly after. The next significant payment by E*TRADE is expected to be received later in this calendar year. Revenues from the E*TRADE agreement are recognised progressively over the initial three year term of the agreement.

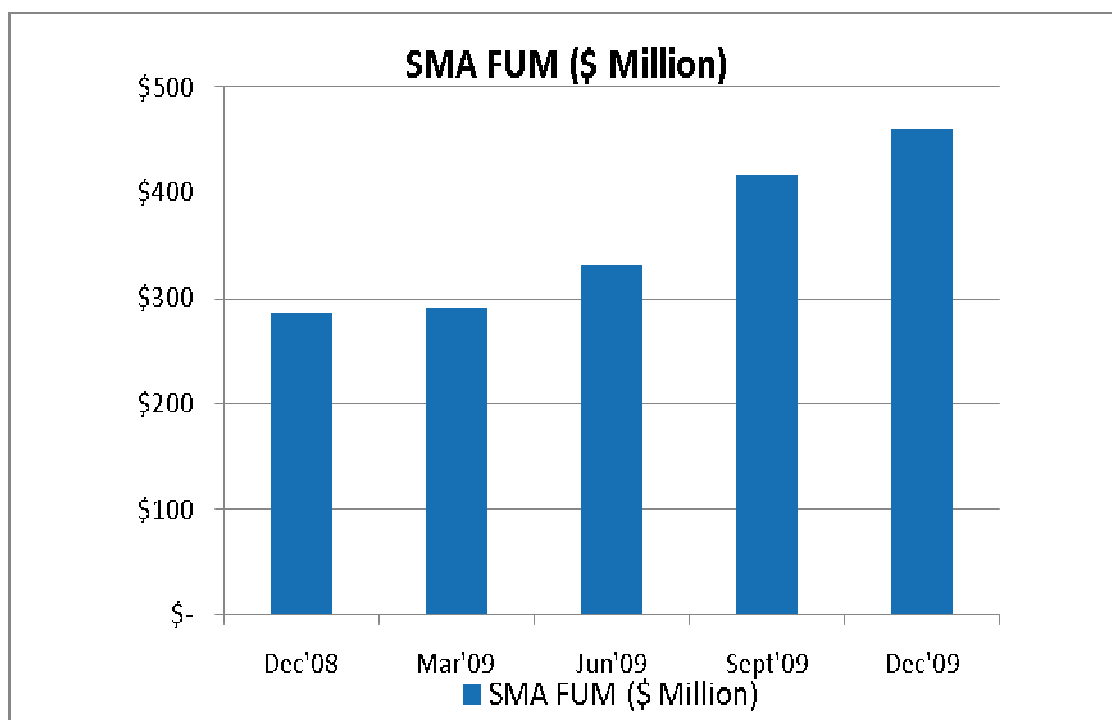
Praemium Limited

ACN 098 405 826

Directors' Report

26 February, 2010

- During the period Shadforths Financial Group, a significant player in the provision of customised financial planning and wealth management advice administering in excess of AUD\$8billion in client assets, selected Praemium to provide portfolio administration services to their direct equity client base.
- During the period, Praemium has continued to enhance V-Wrap's functionality and to release new features in response to client demand. Most notably, Praemium has released managed fund trading capability into V-Wrap for suitably licensed planners and managed investment scheme operators. In conjunction with Powerwrap, who are able to deploy the technology within their Australian Financial Services Licence and compliance structure, Praemium will target mainstream financial planners whose focus on managed funds (as opposed to equities) has traditionally made them less likely to select V-Wrap over conventional custodial wrap platforms.
- 212 different services are able to deploy p-Desktop, representing approximately 40% of Praemium's client base. Praemium continues to enhance its development of p-desktop and its Microsoft Silverlight™ companion offering (which will be branded as V-Wrap Investor) with a view to enhancing user experience and engendering user loyalty for its V-Wrap platform.
- SMA Funds under Management increased by 40% to more than \$460 million since the beginning of the period (and 60% in the 12 months to 31 December 2009). 184 firms use the BlackRock Customised Portfolio Service powered by Praemium's proprietary SMA technology. Almost 50% of the increase FUM is net inflows (new investments) into the SMA, with the balance being the performance of the fund.



Praemium Limited

ACN 098 405 826

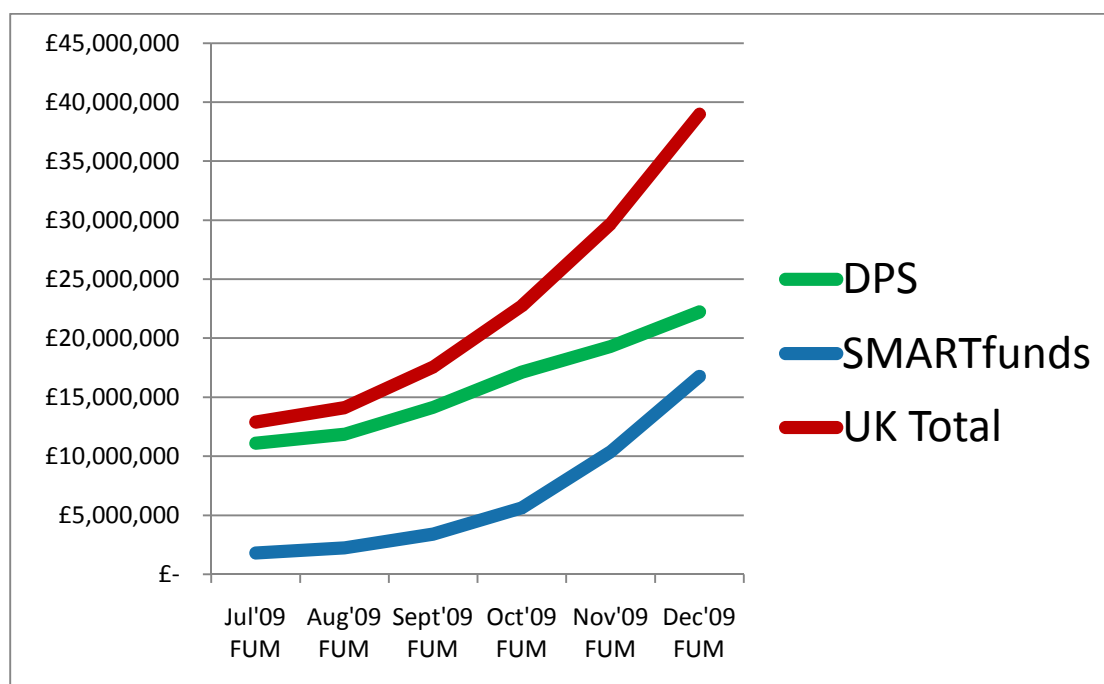
Directors' Report

26 February, 2010

UK OPERATIONS & BUSINESS –

Key achievements for the UK Operations during the period since 1 July 2009 have included:

- Significantly implemented operational restructure;
- The launch on 14 September 2009 of the SA Sequel SMARTfund, which offers sub-funds which are based on models provided by premium UK fund managers:
 - Henderson Global Investors Ltd
 - Schroder Investment Management Ltd
 - Sarasin & Partners Ltd
- The roll out of *dps Select* first launched on 22nd June 2009 to complement the *dps* service launched in March 2009. Since its launch, the first financial adviser firms have signed contracts to use the service and begun investing their client money. Seven asset management firms have now agreed to provide investment models for the service.
- The graph below shows relative contributions of SMARTfund and *dps* FUM to the total FUM for the UK business. The growth in FUM demonstrates the positive response of the UK market to Praemium's unique product and service offerings.



- Praemium's Investment Models are now approved within 16 SIPPs (Self Invested Pension Plans) and 6 Offshore Bonds (both common forms of 'tax wrappers' used by mainstream financial planners in the UK).
- Funds under management in the SMARTfunds, *dps Select* and *dps* grew to £39.9m over the period.

Praemium Limited

ACN 098 405 826

Directors' Report

26 February, 2010

- 22 firms have now signed and more than 40 more are currently 'with contract' or in detailed discussions relating to the use of SMARTfund and/or *dps* Select. This is expected to drive significant growth in UK FUM and revenues in the second half of FY10
- Executed agreements referred to above include 4 which are firms that have signed as a consequence of the relationship entered into with Succession to use the *dps Select* Service to provide discretionary models as part of their investment matrix – with another 12 either 'with contract' or in serious discussions. Succession is expected to bring on 85 firms over 3 years.
- Præmium's UK V-Wrap Platform has been accredited by ICAEW (the Institute of Chartered Accountants in England and Wales) and is the first Portfolio Administration Platform in the UK to have received such approval

NO SIGNIFICANT POST BALANCE SHEET EVENTS

There have been no matters or circumstances occurring subsequent to the end of the half-year, that has 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

Grant Thornton Audit Pty Ltd
ACN 130 913 594

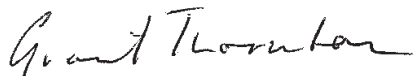
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**Auditor's Independence Declaration
To The Directors of Praemium Limited**

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 2009, 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M. A. Cunningham
Director - Audit & Assurance Services

Melbourne, 26 February 2010

ACCOUNTS FOR THE HALF YEAR ENDING 31 DECEMBER 2009

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Economic Entity Half Year 2009 \$	Economic Entity Half Year 2008 \$
Revenue	5,283,347	3,674,845
Other income	45,181	57,561
Employee benefits expense	(5,953,993)	(7,284,158)
Depreciation, amortisation and impairments	(291,407)	(290,726)
Legal, professional, advertising and market data expense	(1,436,166)	(1,325,519)
Insurance	(136,785)	(107,120)
Commissions expense	(123,718)	(123,400)
Travel expenses	(115,430)	(230,013)
Telecommunication Costs	(114,129)	(156,055)
IT Support Expenses	(450,418)	(312,832)
Net Foreign Exchange (losses)/gains	(156)	(35,057)
Occupancy Costs	(452,803)	(481,601)
Finance Costs	(1,971)	(1,571)
Withholding tax write back	(209,196)	-
Other expenses	(13,200)	(986)
Loss before income tax expense	(3,970,844)	(6,616,632)
Income tax expense	-	-
Loss attributable to members of the parent entity	(3,970,844)	(6,616,632)
Other comprehensive income:		
Foreign currency translation reserve	(181,083)	(40,717)
Revaluation reserve	27,096	(69,722)
Other comprehensive income for the half year	(153,987)	(110,439)
Total Comprehensive income attributable to:		
Owners of Praemium Limited	(4,124,831)	(6,727,071)
Loss for the year attributable to:	(3,970,844)	(6,616,632)
Owners of Praemium Limited	(3,970,844)	(6,616,632)
Total comprehensive income for the half year attributable to:		
Owners of Praemium Limited	(4,124,831)	(6,727,071)
Basic earnings/(loss) per share (cents per share)	(0.04)	(0.04)
Diluted earnings/(loss) per share (cents per share)	(0.04)	(0.04)

The accompanying notes form part of these financial statements

Praemium Limited

ACN 098 405 826

Accounts for the Half Year ending 31 December 2009

26 February, 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Economic Entity 31 December 2009	Economic Entity 30 June 2009
	\$	\$
Current assets		
Cash and cash equivalents	7,600,202	5,620,129
Trade and other receivables	2,596,301	2,978,022
Total current assets	10,196,503	8,598,151
Non-current assets		
Financial assets	192,586	149,258
Property, plant and equipment	1,582,865	1,891,823
Total non-current assets	1,775,451	2,041,081
TOTAL ASSETS	11,971,954	10,639,232
Current liabilities		
Trade and other payables	4,231,998	5,329,712
Provisions	1,037,641	778,825
Total current liabilities	5,269,639	6,108,537
Non-current liabilities		
Provisions	90,546	81,742
Total non-current liabilities	90,546	81,742
TOTAL LIABILITIES	5,360,185	6,190,279
NET ASSETS	6,611,769	4,448,953
Equity		
Share capital	44,729,266	38,476,239
Reserves	(1,084,569)	(841,823)
Accumulated (losses)	(37,032,928)	(33,185,463)
TOTAL EQUITY	6,611,769	4,448,953

The accompanying notes form part of these financial statements

Praemium Limited

ACN 098 405 826

Accounts for the Half Year ending 31 December 2009

26 February, 2010

Consolidated changes of Statement of Changes in Equity

Economic Entity 2009						
	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Revaluation Reserve \$	Total \$
Equity as at July 1 2009	38,476,239	(33,185,463)	(1,064,795)	222,972	-	4,448,953
Profit (Loss) for the half year	-	(3,970,844)	-	--	-	(3,970,844)
Foreign currency translation reserve	-	-	(181,083)	-	-	(181,083)
Assets available for sale Revaluation reserve	-	-	-	-	27,096	27,096
Total Comprehensive income for the half year	-	(3,970,844)	(181,083)	-	27,096	(4,124,831)
Transactions with owners in their capacity as owners:						
Issue of Shares	6,598,365	-	-	-	-	6,598,365
Share Issue Transaction Costs	(345,338)	-	-	-	-	(345,338)
Option reserve	-	-	-	34,620	-	34,620
Transfer on lapsing of options	-	123,379	-	(123,379)	-	-
Sub-total	6,253,027	123,379	-	(88,759)	-	6,287,647
Equity as at 31 December 2009	44,729,266	(37,032,928)	(1,245,878)	134,213	27,096	6,611,769

The accompanying notes form part of these financial statements

Praemium Limited

ACN 098 405 826

Accounts for the Half Year ending 31 December 2009

26 February, 2010

Consolidated Statement of Changes in Equity

	Economic Entity 2008					
	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Revaluation Reserve \$	Total \$
Equity as at July 1 2008	38,359,200	(22,281,296)	(1,025,845)	27,888	(99,307)	14,980,640
Profit (Loss) for the half year	-	(6,616,632)	-	-	-	(6,616,632)
Foreign currency translation reserve	-	-	(40,717)	-	-	(40,717)
Assets available for sale Revaluation reserve	-	-	-	-	(69,722)	(69,722)
Total Comprehensive income for the half year	-	(6,616,632)	(40,717)	-	(69,722)	(6,727,071)
Transactions with owners in their capacity as owners:						
Issue of Shares	-	-	-	-	-	-
Option reserve	-	-	-	46,534	-	46,534
Sub-total	-	-	-	46,534	-	46,534
Equity as at 31 December 2008	38,359,200	(28,897,928)	(1,066,562)	74,422	(169,029)	8,300,103

The accompanying notes form part of these financial statements

Praemium Limited

ACN 098 405 826

Accounts for the Half Year ending 31 December 2009

26 February, 2010

Consolidated Statement of Cash Flows

	Note	Economic Entity Half Year 2009 \$	Economic Entity Half Year 2008 \$
Cash from operating activities:			
Receipts from customers		5,209,902	3,149,310
Payments to suppliers and employees		(9,251,051)	(9,516,440)
Interest received		38,133	289,289
Net cash (used by) /provided from operating activities		(4,003,016)	(6,077,841)
Cash flows from investing activities:			
Dividends received		16,482	3,367
Payments for property, plant and equipment		(66,661)	(254,124)
Acquisition of other investments		(16,232)	-
Proceeds from the disposal of other investments		-	1,079
Net cash used in investing activities		(66,411)	(249,678)
Cash flows from financing activities:			
Proceeds from the issue of share capital		6,491,866	-
Share issue transaction costs		(345,338)	-
Net cash provided by financing activities		6,146,528	-
Net cash increase (decreases) in cash and cash equivalents			
		2,077,101	(6,327,519)
Cash and cash equivalents at beginning of year		5,620,129	13,086,527
Effect of exchange rates on cash holdings in foreign currencies		(97,028)	(73,705)
Cash and cash equivalents at end of the half year		7,600,202	6,685,303

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 2009 and any public announcements made by Praemium Ltd during the half year in accordance with any continuance disclosure obligations arising under the Corporations Act 2001.

The financial report for this half year is prepared in accordance with the accounting policies, methods and computations as that used in the financial report for the year ended 30 June 2009.

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, except as noted above.

(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.

Presentation of Financial Statements

Praemium Limited

ACN 098 405 826

Notes to the Accounts for the Half Year ending 31 December 2009

26 February, 2010

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expenses not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity; and
- other financial statements are renamed in accordance with the Standard;

Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the group's Chief operating decision maker which, for the Group, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position.

Praemium Limited

ACN 098 405 826

Notes to the Accounts for the Half Year ending 31 December 2009

26 February, 2010

2 Segment Reporting

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by Chief Executive Officer and the board of directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of geographic location and derives its income from online portfolio administration, market data systems and separately managed account technology.

Description of segments

Management has determined that operating segments based on reports reviewed by the Chief Executive Officer and the board of directors for making strategic decisions. The Chief Executive Officer and the board of directors monitor the business based geographic factors and have identified the following segments:

- Australia and
- United Kingdom.

Accounting policies and inter-segment transactions

In reporting segments, the Group has used the same accounting policies as those contained in Note 1 to annual financial report for the year ended 30 June 2009.

Segment assets

The segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Segment liabilities include trade and other payables.

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the Standard.

Praemium Limited

ACN 098 405 826

Notes to the Accounts for the Half Year ending 31 December 2009

26 February, 2010

Segment information

The following table presents information for reportable segments for the half year ended 31 December 2009 and 31 December 2008:

Half Year ending 31 December 2009 (1HFY10)

	Australia	United Kingdom	Total
	Half Year 2009	Half Year 2009	Half Year 2009
	\$	\$	\$
REVENUE			
Total Segment Revenue	6,335,581	958,707	7,294,288
Intersegment Revenue	(1,151,978)	(813,782)	(1,965,760)
Revenue from External Customers	5,183,603	144,925	5,328,528
EBITDA Profit/(Loss)	(1,719,109)	(2,014,943)	(3,734,052)
Interest	37,454	679	38,133
Depreciation	(210,522)	(80,885)	(291,407)
Unit Trust Income	16,482	-	16,482
Net Profit /(Loss) Before Tax	(1,875,695)	(2,095,149)	(3,970,844)
Segment Assets 30.06.2009	7,922,715	2,716,517	10,639,232
Segment Assets 31.12.2009	9,803,631	2,168,323	11,971,954

Half Year ending 31 December 2008 (1HFY09)

	Australia	United Kingdom	Total
	Half Year 2008	Half Year 2008	Half Year 2008
	\$	\$	\$
REVENUE			
Total Segment Revenue	4,952,865	1,727,813	6,680,678
Intersegment Revenue	(1,333,280)	(1,614,992)	(2,948,272)
Revenue from External Customers	3,619,585	112,821	3,732,406
EBITDA Profit/(Loss)	(3,651,878)	(2,966,234)	(6,618,112)
Interest	231,839	56,999	288,838
Depreciation	(198,943)	(91,782)	(290,725)
Unit Trust Income	3,367	-	3,367
Net Profit /(Loss) Before Tax	(3,615,615)	(3,001,017)	(6,616,632)

Praemium Limited

ACN 098 405 826

Notes to the Accounts for the Half Year ending 31 December 2009

26 February, 2010

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 11 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 2009 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.



Arthur Naoumidis

Director

Dated: 26 February 2010

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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 statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes 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 the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Auditing Standard on Review Engagement ASRE 2410: Review of Interim and Other Financial Reports 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 financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity’s financial position as at 31 December 2009 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.

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 2009 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



M. A. Cunningham
Director - Audit & Assurance Services

Melbourne, 26 February 2010

Market Activity - Volume - Total Market

Type: Volume View: Total Market

Security	Last	+/-	%	Volume	Value
MLS	0.092	0.018	24.324	149,631,017	13,019,425
BRO	0.008	-0.001	-11.111	65,998,463	540,193
QAN	5.230	0.000	0.000	50,332,665	263,273,894
BLY	2.100	0.050	2.439	41,993,279	87,971,714
ZYL	0.073	-0.015	-17.978	33,439,292	2,615,271
ETC	0.073	0.007	10.135	2,904,012	212,904
ICP	0.064	-0.007	-10.938	1,208,371	77,219
ILF	1.350	-0.010	-0.735	26,219,586	35,780
BHP	31.770	-0.160	-0.500	541,837,276	17,181,161
TLS	4.880	-0.050	-1.014	16,549,380	81,181,161
OSH	3.860	0.060	1.579	16,480,431	62,755,304
MPR	1.415	0.000	0.000	16,420,059	23,237,828
DRT	1.900	0.025	1.333	15,387,076	29,026,215
ING	3.050	-0.050	-1.613	15,331,132	45,780
DB	0.025	0.000	0.000		

1H 2010 Results

February 2010

Arthur Naoumidis
Group CEO

Group Financial Summary

	Revenue (`000)		Costs including R&D expense (`000)		EBITDA (`000)	
	1HFY09	1HFY10	1HFY09	1HFY10	1HFY09	1HFY10
Praemium Aus P/L						
V-Wrap (including p- Desktop)	3,218	4,909	2,309	2,691	909	2,218
SMA	135	190	579	657	(444)	(467)
Total Praemium Aus P/L	3,353	5,099	2,888	3,348	465	1,751
United Kingdom	55	144	3,021	2,159	(2,966)	(2,015)
Corporate	32	45	4,149	3,515	(4,117)	(3,470)
Total (Group)	3,440	5,288	10,058	9,022	(6,618)	(3,734)

Key Financial Details

- ❑ EBITDA for half year to 31 December 2009 = (\$3.7million)
 - a 44% improvement
- ❑ All development costs are expensed
- ❑ Praemium has no debt
- ❑ Revenue and other income:
 - Half year to 31 December 2009 = \$5.3 million
 - Half year to 31 December 2008 = \$3.7 million
- ❑ Cash at end of December 2009 = \$7.6 million

Key Financial Achievements

	EBITDA 1HFY09 (`000)	EBITDA 1HFY10 (`000)	Variance & Commentary
V-Wrap (including p- Desktop)	909	2,218	<ul style="list-style-type: none"> •144% improvement •Includes growth in portfolios and E*TRADE
SMA	(444)	(467)	<ul style="list-style-type: none"> •5% reduction •Flat lined during GFC but growth in the first half of this period is promising
UK	(2,966)	(2,015)	<ul style="list-style-type: none"> •32% improvement •Take-up from UK clients is accelerating
Corporate	(4,117)	(3,470)	<ul style="list-style-type: none"> •16% improvement •Tight management of corporate overhead
Total (Group)	(6,618)	(3,734)	<ul style="list-style-type: none"> •43% improvement •Strategies beginning to pay off

Key Financial Achievements

- ❑ Overall significant improvement in financial performance driven by:
 - Increasing revenues
 - Decreasing costs

- ❑ Improved capital position
 - Capital raising by Private Placement = \$3.675 million (Oct'09)
 - Fully Underwritten Rights Issue = \$2.816 million (Nov'09)

- ❑ UK net cost reduction started to take place during first half of FY10
 - However, additional expenses that were previously unbudgeted for impacted cost savings
 - Revised net cost reduction is now approximately £1.5 million



Highlights

	Revenue (\$'000) 1HFY10	Costs incl. R&D (\$'000) 1HFY10	EBITDA(\$'000) 1HFY10
V-Wrap (including p-Desktop)	4,909	2,691	2,218

- 3.1% increase in portfolios
 - 42,596 portfolios with \$38.9 billion assets as at 31 December 2009
- Over 17,500 SMSFs – 4% of market
- E*TRADE deal - 'live' in July 2009:
 - Once a year Tax Reports for all E*TRADE active retail customers as part of a base fee
 - Daily standard V-Wrap service will be available to E*TRADE customers on subscription
 - By integrating V-Wrap, E*TRADE have reset standards for online broking in Australia



Highlights

- ❑ 212 clients have deployed p-Desktop
- ❑ Distribution focused on financial planners and accountants
 - Incorporates Portfolio Review Tools, Portfolio Planner, and Enhanced Trading for suitably licensed users
- ❑ Effective tool for client retention and up-selling to V-Wrap
 - Development of Silverlight™ version completed in late November 2009



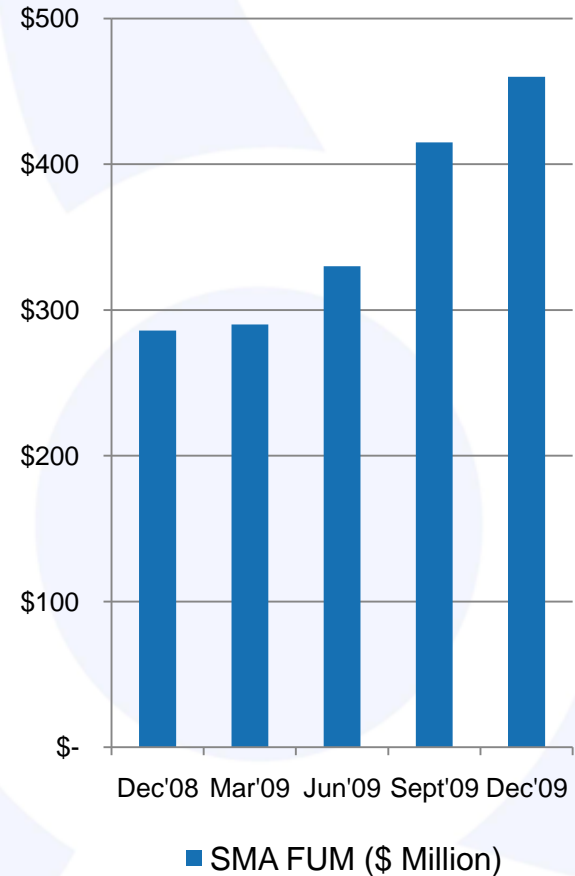
Highlights

- ❑ BlackRock Customised Portfolio Service:
 - 184 organisations now subscribed to this service

- ❑ FUM exceeds AUD\$460 million*
 - Flat lined during GFC
 - Started growing in April 2009
 - Grew 60% in the past 12 months to 31 December 2009

- ❑ Powerwrap moving towards becoming 2nd SMA operator

SMA FUM (\$ Million)



*As at 31 December 2009



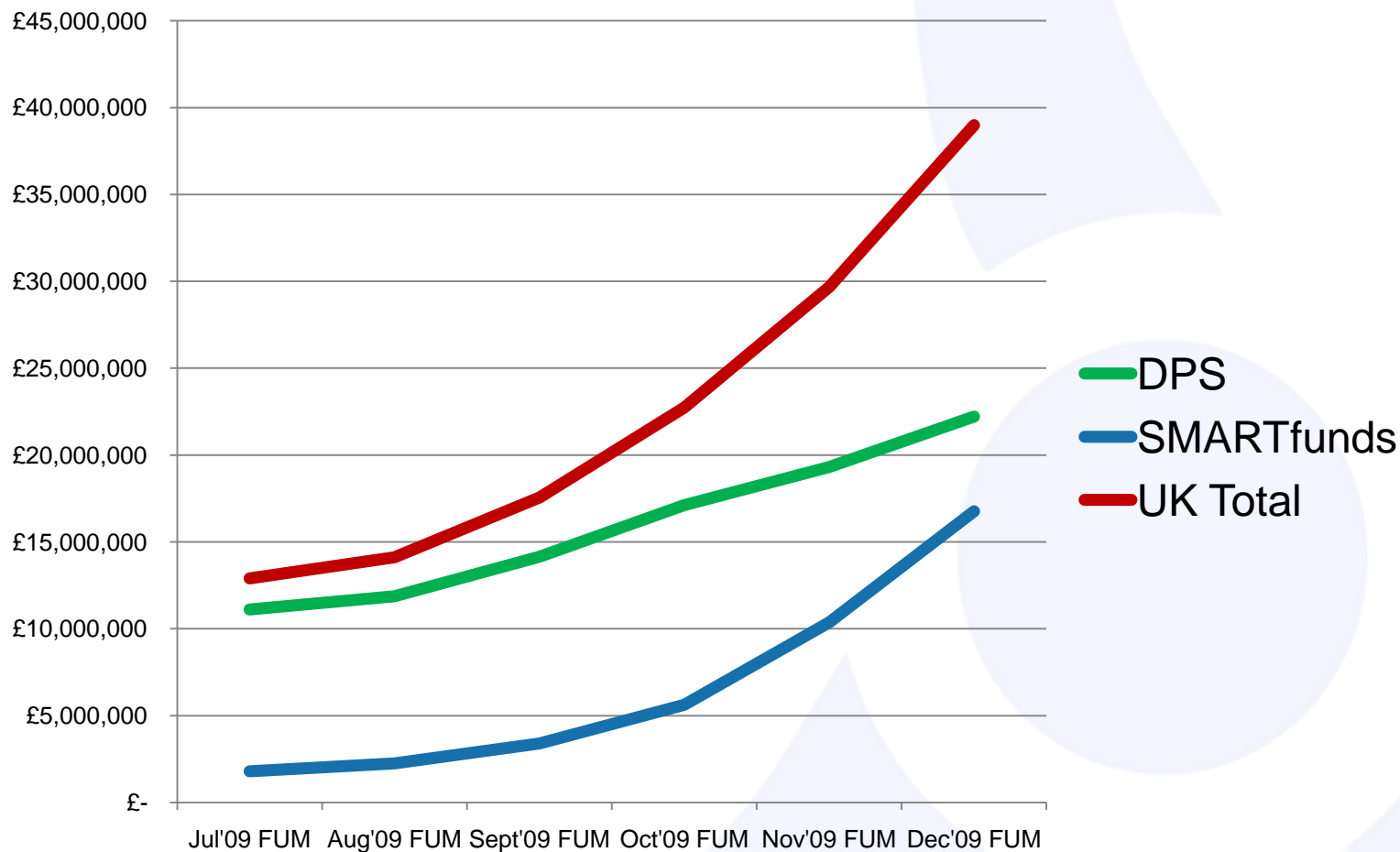
United Kingdom - Highlights

	Revenue (\$'000) 1HFY10	Costs incl. R&D (\$'000) 1HFY10	EBITDA(\$'000) 1HFY10
United Kingdom	144	2,159	(2,015)

- ❑ FUM of Praemium UK grew to £39.9 million over the period
- ❑ 22 firms have now signed and 33 firms are 'in contract' or detailed discussions
- ❑ Praemium UK clients have circa £3 billion 'under influence'
- ❑ Our two key offerings are well positioned within the UK regulatory environment



United Kingdom - Highlights



Looking ahead

- ❑ To continue with achieving strong growth in revenues from:
 - Further developing our service offerings in Australia
 - Seeking and supporting new operators (e.g. Powerwrap) to gain access to mainstream financial planners
 - Increasing distribution and building FUA in the UK
- ❑ To continue with maintaining tight control on costs
- ❑ To realise substantial revenue leverage from the scalability of our services, and from enhanced productivity in general

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