



22 August 2007

Preliminary Final Report
Results for Announcement to the Market

The Directors of Praemium Ltd are pleased to present the Group's Preliminary Final Report.

For further information contact:

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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 2007
Previous corresponding period is the financial year ended:	30 June 2006

2. Results for announcement to the market:

Revenues from ordinary activities (<i>item 2.1</i>)	up/down 87.7%	to \$4,980,705
Profit/(Loss) from ordinary activities after tax attributable To members (<i>item 2.3</i>)	up/down 908.7%	to (\$10,027,947)
Net profit/(Loss) for the period attributable to members (<i>item 2.3</i>)	up/down 908.7%	to (\$10,027,947)

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. Statement of 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

7. Dividends (item 7):

	Date of payment	Total amount of dividend
Interim dividend-year ended 30 June 2007	N/A	\$0.00
Final dividend-year ended 30 June 2007	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

	2007	2006
Balance at the beginning of the year	(2,207,632)	(1,213,495)
Net profit attributable to members of the parent entity	(10,027,947)	(994,137)
Adjustment on introduction to Australian Equivalent to IFRS		0
Total available for appropriation		0
Dividends paid		0
Balance at end of year	(12,235,579)	(2,207,632)

10. Net tangible assets per security (item 10)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.131	\$0.135

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
SMART OPERATOR LTD	4 December 2006

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 \$10,027,947.

The Group's net asset position at 30 June 2007 was \$18,687,955 with \$16,763,182 held in cash or cash equivalents. The Group is debt free.

Significant Change in the State of Affairs

A share placement occurred on 17 May 2007 under which \$10,000,001 at \$1.05 per share was raised.

The funds were raised for the primary purpose of launching their business in the UK. At the time that the private placement was undertaken SMART Operator Ltd, a wholly owned subsidiary, was in the process of seeking approval from the Financial Services Authority to operate a separately managed account (SMA) fund in the UK. The first of the two key approvals required has since been granted and SMART Operator Ltd has been authorised as a fund manager in the United Kingdom since 17 August 2007. Under the requirements of the relevant laws in the UK, SMART Operator Ltd must maintain a minimum working capital reserve in cash or cash equivalents within the UK. £2,000,000 of the funds raised in this private placement have been applied for that purpose. In addition \$2,000,000 of the funds raised were allocated to the acquisition, development and launch of Praemium Desktop.

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 \$10,027,947 after tax. This compares to a net loss in the prior year of \$994,137 after tax in 2006.

Total consolidated revenue from ordinary activities for this period is \$4,980,705 compared to the preceding period of \$2,653,456, an increase of 87.7%. In the same period, billed and committed portfolio numbers grew for the same period from approximately 15,800 in the preceding period to approximately 22,800 (an increase of 44%)

Basic earnings/(loss) per share for this period is (7.5 cents) and diluted earnings/(loss) per share was (7.4cents), whilst for the preceding period basic and diluted earnings(loss) per share was (1.1cents).

Segment Reporting

The group operated in two geographic areas during the year, Australia and the United Kingdom.

	Australia	United Kingdom	Economic Entity
	2007	2007	2007
	\$	\$	\$
REVENUE			
Revenue from external customers:			
Revenue - external customers	<u>4,980,705</u>	<u>-</u>	<u>4,980,705</u>
Total revenue from external customers	4,980,705	-	4,980,705
Other income	<u>184,320</u>	<u>-</u>	<u>184,320</u>
Total revenue	<u>5,165,025</u>	<u>-</u>	<u>5,165,025</u>
RESULT			
Net profit for the year	<u>(3,433,914)</u>	<u>(6,594,033)</u>	<u>(10,027,947)</u>
ASSETS			
Segment assets	<u>19,040,485</u>	<u>2,088,812</u>	<u>21,129,297</u>
Total assets	<u>19,040,485</u>	<u>2,088,812</u>	<u>21,129,297</u>
LIABILITIES			
Segment liabilities	<u>1,541,112</u>	<u>900,230</u>	<u>2,441,342</u>
Total liabilities	<u>1,541,112</u>	<u>900,230</u>	<u>2,441,342</u>
Depreciation and amortisation expense	(231,673)	(99,407)	(331,080)

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: Date: ..22 August 2007
(Director)

Print name:ARTHUR NAOUMIDIS.

Attachment A

Income Statements
For the Year Ended 30 June 2007

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Revenue	4,980,705	2,653,456	3,045,052	2,401,374
Other income	184,320	185,039	184,320	185,039
Employee costs	(9,320,985)	(2,579,508)	(3,958,656)	(1,946,780)
Depreciation, amortisation and impairments	(331,080)	(78,979)	(205,370)	(78,672)
Legal, professional, advertising and insurance expense	(2,915,039)	(605,252)	(471,428)	(474,010)
Commissions expense	(193,963)	(177,210)	1,833	(161,219)
Travel expenses	(659,602)	(172,110)	(101,660)	(115,006)
IT support expenses	(330,239)	(67,312)	(206,842)	(66,490)
Occupancy costs	(610,050)	(121,363)	(77,219)	(88,753)
Net foreign exchange (losses)/gains	(272,993)	147,624	(669,839)	141,846
Telecommunication costs	(244,837)	(78,476)	(105,013)	(62,252)
Other expenses	(309,199)	(95,579)	(107,247)	(87,105)
Finance costs	(985)	(4,467)	(663)	(4,467)
Profit before income tax expense	(10,027,947)	(994,137)	(2,676,732)	(356,495)
Income tax expense	-	-	-	-
Profit attributable to members of the parent entity	(10,027,947)	(994,137)	(2,676,732)	(356,495)
Basic earnings/(loss) per share (cents per share)	(0.075)	(0.011)		
Diluted earnings/(loss) per share (cents per share)	(0.074)	(0.011)		

Balance Sheets
For the Year Ended 30 June 2007

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Current assets				
Cash and cash equivalents	16,763,182	17,063,834	14,391,327	16,816,772
Trade and other receivables	1,844,801	716,494	376,434	370,766
Total current assets	18,607,983	17,780,328	14,767,761	17,187,538
Non-current assets				
Financial assets	385,557	359,470	388,947	362,860
Property, plant and equipment	2,124,099	424,371	1,022,396	411,093
Intangible assets	11,658	14,376	11,658	14,376
Other receivables	-	-	11,558,680	972,454
Total non-current assets	2,521,314	798,217	12,981,681	1,760,783
TOTAL ASSETS	21,129,297	18,578,545	27,749,442	18,948,321
Current liabilities				
Trade and other payables	2,078,098	753,886	789,121	483,454
Provisions	343,627	66,240	166,364	52,651
Total current liabilities	2,421,725	820,126	955,485	536,105
Non-current liabilities				
Provisions	19,617	10,260	15,816	8,579
Total non-current liabilities	19,617	10,260	15,816	8,579
TOTAL LIABILITIES	2,441,342	830,386	971,301	544,684
NET ASSETS	18,687,955	17,748,159	26,778,141	18,403,637
EQUITY				
Share capital	30,306,672	19,923,967	30,306,672	19,923,967
Reserves	616,862	31,824	718,191	49,660
(Accumulated losses)	(12,235,579)	(2,207,632)	(4,246,722)	(1,569,990)
TOTAL EQUITY	18,687,955	17,748,159	26,778,141	18,403,637

Statements of Changes in Equity
For the Year Ended 30 June 2007

Parent Entity 2007

	Ordinary Shares	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Revaluation Reserve	Total
	\$	\$	\$	\$	\$	\$
Equity as at beginning of period	19,923,967	(1,569,990)	5,778	43,882	-	18,403,637
Changes						
Equity raising costs	(551,423)	-	-	-	-	(551,423)
Exchange differences on translation of foreign operations	-	-	(5,778)	-	-	(5,778)
Net income recognised directly in equity	(551,423)	-	(5,778)	-	-	(557,201)
Loss attributable to members of the parent entity	-	(2,676,732)	-	-	-	(2,676,732)
Recognised income and expense for the year	(551,423)	(2,676,732)	(5,778)	-	-	(3,233,933)
Issue of shares	10,934,128	-	-	-	-	10,934,128
Revaluation arising from available-for-sale financial assets	-	-	-	-	54,791	54,791
Option expense	-	-	-	619,518	-	619,518
Sub-total	10,934,127	-	-	619,518	54,791	11,608,437
Equity as at 30 June 2007	30,306,672	(4,246,722)	-	663,400	54,791	26,778,141

Parent Entity 2006

	Ordinary Shares	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Equity as at beginning of period	1,597,962	(1,213,495)	-	-	384,467
Equity restated as at 30 June 2005	1,597,962	(1,213,495)	-	-	384,467
Changes					
Equity raising costs	(1,931,080)	-	-	-	(1,931,080)
Exchange differences on translation of foreign operations	-	-	5,778	-	5,778
Net income recognised directly in equity	(1,931,080)	-	5,778	-	(1,925,302)
Loss attributable to members of the parent entity	-	(356,495)	-	-	(356,495)
Recognised income and expense for the year	(1,931,080)	(356,495)	5,778	-	(2,281,797)
Issue of shares	20,257,085	-	-	-	20,257,085
Option expense	-	-	-	43,882	43,882
Sub-total	20,257,085	-	-	43,882	20,300,967
Equity as at 30 June 2006	19,923,967	(1,569,990)	5,778	43,882	18,403,637

Statements of Changes in Equity
For the Year Ended 30 June 2007

Economic Entity 2007	Ordinary Shares	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Revaluation Reserve	Total
	\$	\$	\$	\$	\$	\$
Equity as at beginning of period	19,923,967	(2,207,632)	(12,058)	43,882	-	17,748,159
Equity raising costs	(551,423)	-	-	-	-	(551,423)
Exchange differences on translation of foreign operations	-	-	(89,271)	-	-	(89,271)
Net income recognised directly in equity	(551,423)	-	(89,271)	-	-	(640,694)
Loss attributable to members of the parent entity	-	(10,027,947)	-	-	-	(10,027,947)
Recognised income and expense for the year	(551,423)	(10,027,947)	(89,271)	-	-	(10,668,641)
Issue of shares	10,934,128	-	-	-	-	10,934,128
Revaluation arising from available-for-sale financial assets	-	-	-	-	54,791	54,791
Option expense	-	-	-	619,518	-	619,518
Sub-total	10,934,128	-	-	619,518	54,791	11,608,437
Equity as at 30 June 2007	30,306,672	(12,235,579)	(101,329)	663,400	54,791	18,687,955
Economic Entity 2006	Ordinary Shares	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Total	
	\$	\$	\$	\$	\$	
Equity as at beginning of period	-	-	-	-	-	
Changes						
Parent entity balances brought forward	1,597,962	(1,213,495)	-	-	384,467	
Equity raising costs	(1,931,080)	-	-	-	(1,931,080)	
Exchange differences on translation of foreign operations	-	-	(12,058)	-	(12,058)	
Net income recognised directly in equity	(1,931,080)	-	(12,058)	-	(1,943,138)	
Loss attributable to members of the parent entity	-	(994,137)	-	-	(994,137)	
Recognised income and expense for the year	(1,931,080)	(994,137)	(12,058)	-	(2,937,275)	
Issue of shares	20,257,085	-	-	-	20,257,085	
Option expense	-	-	-	43,882	43,882	
Sub-total	20,257,085	-	-	43,882	20,300,967	
Equity as at 30 June 2006	19,923,967	(2,207,632)	(12,058)	43,882	17,748,159	

Appendix 4E
Praemium Limited
ACN 098 405 826

Cash Flow Statements
For the Year Ended 30 June 2007

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash from operating activities:				
Receipts from customers	4,025,785	2,399,478	250,899	2,520,031
Payments to suppliers and employees	(12,666,074)	(3,349,351)	(3,530,590)	(2,747,633)
Interest received	712,974	164,720	700,814	163,424
Borrowing costs paid	(985)	(4,467)	(663)	(4,467)
Net cash (used by) /provided from operating activities	(7,928,300)	(789,620)	(2,579,540)	(68,645)
Cash flows from investing activities:				
Dividends received	9,804	7,538	9,804	7,538
Payments for property, plant and equipment	(2,079,751)	(320,358)	(847,856)	(306,773)
Acquisition of other investments	-	(359,470)	-	(362,860)
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	-	-	(8,319,762)	(972,454)
Net cash used in investing activities	(2,036,777)	(672,290)	(9,124,644)	(1,634,549)
Cash flows from financing activities:				
Proceeds from the issue of share capital	10,500,001	20,135,170	10,500,001	20,135,170
Share issue transaction costs	(551,423)	(1,931,080)	(551,423)	(1,931,080)
Net cash provided by financing activities	9,948,578	18,204,090	9,948,578	18,204,090
Net cash increase (decreases) in cash and cash equivalents	(16,499)	16,742,180	(1,755,606)	16,500,896
Cash and cash equivalents at beginning of year	17,063,834	174,030	16,816,772	174,030
Effect of exchange rates on cash holdings in foreign currencies	(284,153)	147,624	(669,839)	141,846
Cash and cash equivalents at end of year	16,763,182	17,063,834	14,391,327	16,816,772