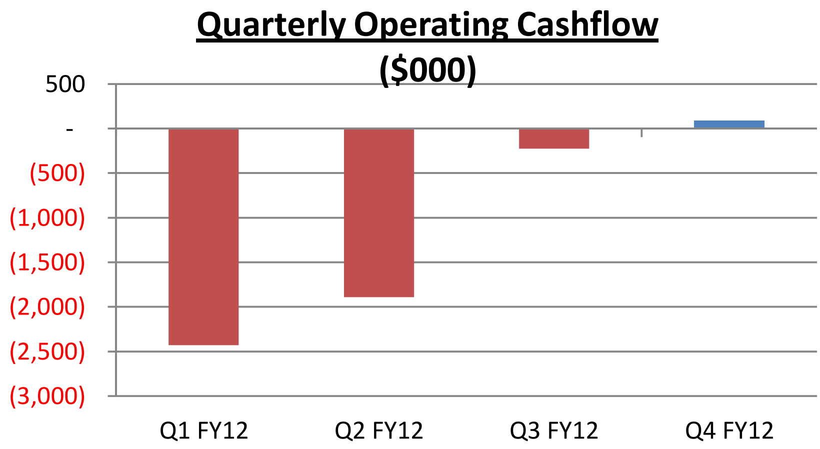
Praemium achieves positive operating cashflow

18 July 2012, Melbourne: Praemium Limited (ASX: PPS) announces that it has achieved a quarter of positive operating cashflow for the June 2012 quarter. Operating cash inflow (including capex) for the June 2012 quarter was $86,000 compared to an outflow of $226,000 for the March 2012 quarter. This result was achieved from underlying revenue growth in both Australia and the UK, in addition to a lower cost base from the cost reduction program implemented in September 2011.

The cash balance at 30 June 2012 was $4.71 million, compared to $4.84 million at 31 March 2012.



Key Statistics

Service	Region	Key Performance Indicator	Jun 2012	Mar 2012	QoQ %	Jun 2011	YoY %
Portfolio Admin Services	Australia	# V-Wrap Portfolios	44,678	44,473	0%	45,075	(1%)
Separately Managed Account	Australia	FUA	A$504m	A$509m	0%	A$574m	(12%)
Separately Managed Account	UK	FOP	£422m	£389m	8%	£283m	49%

About Praemium: Praemium Ltd (ASX:PPS) is one of Australia's leading suppliers of online financial portfolio administration and Separately Managed Account (SMA) technology, administering in excess of AUD43 billion-FUA* of assets in Australia and with more than £422 million-UK FOP* in funds on the platforms it operates in the UK. Praemium currently provides services to approximately 478* financial institutions and intermediaries, including some of the world's largest financial institutions.

*As at 30 June 2012

For further information contact: Mr Paul Gutteridge, Company Secretary +613 8622 1222

Rule 4.7B

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 Limited

ABN	Quarter ended ("current quarter")
74 098 405 826	June 2012

Consolidated statement of cash flows

	Cash flows related to operating activities		Current Quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from customers		3,729	12,707
1.2	Payments for	(a) staff costs	(2,168)	(10,477)
		(b) advertising and marketing	(46)	(237)
		(c) research and development		
		(d) leased assets		
		(e) other working capital	(1,444)	(6,532)
1.3	Dividends received		13	23
1.4	Interest and other items of a similar nature received		18	122
1.5	Interest and other costs of finance paid		(6)	(6)
1.6	Income taxes paid			
1.7	Other (provide details if material)			
	Net operating cash flows		96	(4,400)

+ See chapter 19 for defined terms.

		Current Quarter $A'000	Year to date (12 months) $A'000
1.8	Net operating cash flows (carried forward)	96	(4,400)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	(10)	(62)
	(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	(203)	(203)
1.12	Loans repaid by other entities		
1.13	Other (provide details if material)		
	Net investing cash flows	(213)	(265)
1.14	**Total operating and investing cash flows**	(117)	(4,665)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	4,769
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	-	4,769
	Net increase (decrease) in cash held	(117)	104
1.21	Cash at beginning of quarter/year to date	4,844	4,644
1.22	Exchange rate adjustments to item 1.20	(14)	(35)
1.23	**Cash at end of quarter**	4,713	4,713

+ 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	55
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

1.24: $54,999 salaries and benefits to non-executives paid as director fees.

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	-	-

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	3,205	3,355
4.2	Deposits at call	1,508	1,489
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	4,713	4,844

+ See chapter 19 for defined terms.

Acquisitions and disposals of business entities

	Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
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 give a true and fair view of the matters disclosed.

Sign here: Date: 18 July 2012
Company secretary

Print name: Paul Gutteridge

Notes

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.