



2010 Year End – Results presentation

30 August 2010

A presentation which will accompany a Boardroom Radio broadcast recorded by the Group CEO, Mr Arthur Naoumidis is attached.

The broadcast will be accessible from the Company's website under Boardroom Radio section from 10am today (<http://www.praemium.com.au/boardroom-radio.html>).

An email will be sent to all shareholders who have signed up for electronic communications advising them of the availability of the Company's Preliminary Full Year Results (which were released last week) and the Boardroom Radio broadcast and presentation later today.

About Præmium: 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 39.7 billion* of assets. Præmium currently provides services to around 500* financial institutions and intermediaries, including some of Australia's largest financial institutions.

*As at 30 June 2010

FY10 Results & Update

August 2010

Arthur Naoumidis
Group CEO



Service offerings - Australia

	V-Wrap	V-Wrap Adviser / V-Wrap Investor	SMA	Praemium SMARTwrap
AUSTRALIA				
Brief Description	<ul style="list-style-type: none"> •A virtual wrap platform with strengths in Direct Equity processing, tax & investment reporting 	<ul style="list-style-type: none"> •A comprehensive market data service 	<ul style="list-style-type: none"> •A Separately Managed Account (SMA) service, based on V-Wrap technology 	<ul style="list-style-type: none"> •A modern wrap platform based on V-Wrap technology •Designed to assist Advisers with transition from commission to fee-for-service
Customer Group	<ul style="list-style-type: none"> •40% Accountants •40% Financial Advisers •20% Brokers/Fund Managers/Others 	<ul style="list-style-type: none"> •Financial Advisers •Brokers 	<ul style="list-style-type: none"> •BlackRock •Powerwrap •Seeking other Fund Managers/Platform providers 	<ul style="list-style-type: none"> •Powerwrap •Indirectly, Financial Advisers
Competitive Advantage	<ul style="list-style-type: none"> •Low flat fee •Superior corporate action processing •High level of automation •Accountant-strength tax & investment reporting •Ideal for SMSFs 	<ul style="list-style-type: none"> •Available free of charge for the standard package (20-min delay) •Integrates with V-Wrap to generate real-time client reports •Portfolio modelling can assist with rapid reviews and generate short-form SOAs 	<ul style="list-style-type: none"> •Low cost •Transparency & flexibility of underlying investments •A successor platform for traditional wraps •Ideal for SMSFs 	<ul style="list-style-type: none"> •Low 'factory gate' pricing •Adviser rebate can be switched off once transition to fee-for-service is achieved •Comprehensive investment options •Online trading for Managed Funds and ASX-listed Securities •Accountant-strength tax & investment reporting

Service offerings - UK

	SMARTfund Advantage	SMARTfund Services	Discretionary Platform Service (dps)
United Kingdom			
Brief Description	A range of risk-profiled funds utilising the investment research and expertise of Old Broad Street Research (OBSR)	Praemium can create, manage and host a fund with a distributor's branding supported by the cost-effective, comprehensive reporting platform	Online platform on which Distributors can provide a transparent end-to-end discretionary investment management solution for their clients.
Customer Group	<ul style="list-style-type: none"> • Financial Advisers • Wealth Managers • Product Providers 	<ul style="list-style-type: none"> • Financial Advisers 	<ul style="list-style-type: none"> • Financial Advisers • Wealth Managers • Fund Managers • Discretionary Managers • Trustees & Charities
Competitive Advantage	<ul style="list-style-type: none"> • Complete transparency of underlying holdings • Unique ability to 'add on' the Adviser ongoing Charge for each investor • Comprehensive reporting suite • Performance History evidences process does what it says it does • Independence of partners fits with RDR requirements 	<ul style="list-style-type: none"> • Complete transparency of underlying holdings • Unique ability to 'add on' the Adviser ongoing Charge for each investor • Comprehensive reporting suite • Complete control over branding and pricing of fund 	<ul style="list-style-type: none"> • Ability to select a range of Discretionary Managers • Ability to change Manager • Ability to blend models • Cost-effective and more efficient rebalancing • More control over client assets

Key Statistics

	June 2010	June 2009	% change	Revenue Model
Australia				
V-Wrap				
Funds under Administration (FUA)	\$39.7 billion	\$31.6 billion	+ 26%	Generally Flat \$ Average \$226 per portfolio
Committed Portfolios	44,167	41,296	+ 7%	
Number of Wholesale Clients	505	494	+ 2%	
Separately Managed Account				
Funds under Management (FUM)	\$497 million	\$329 million	+ 51%	Approx. 8 bps on FUM
Number of Services	123	184	-	
United Kingdom				
Funds on Platform (FOP)	£115.7 million	£11.4 million	+ 915%	17.5bps- 35bps on FUM

Key Financial Details

- Group EBITDA for FY10 = (\$5.06 million)
 - A 53% improvement from FY09
- All development costs are expensed
- Praemium has no debt
- Revenue and other income:
 - Full year to 30 June 2010 = \$12.08 million
 - Full year to 30 June 2009 = \$8.95 million
- Cash at 30 June 2010 = \$5.61 million

Group Financial Summary

	Revenue ('000)		Costs including R&D expense ('000)		EBITDA ('000)	
	FY10	FY09	FY10	FY09	FY10	FY09
Praemium Aus P/L						
V-Wrap (including V-Wrap Adviser)	9,770	8,104	5,329	4,789	4,441	3,315
Praemium SMARTwrap	833	-	30	-	803	-
SMA	446	281	993	1,020	(547)	(739)
Total Praemium Aus P/L	11,049	8,385	6,352	5,809	4,697	2,576
United Kingdom						
	835	143	4,510	6,305	(3,675)	(6,162)
Corporate	64	73	6,147	7,163	(6,083)	(7,090)
Total (Group)						
	11,948	8,601	17,009	19,277	(5,061)	(10,676)

Key Financial Achievements

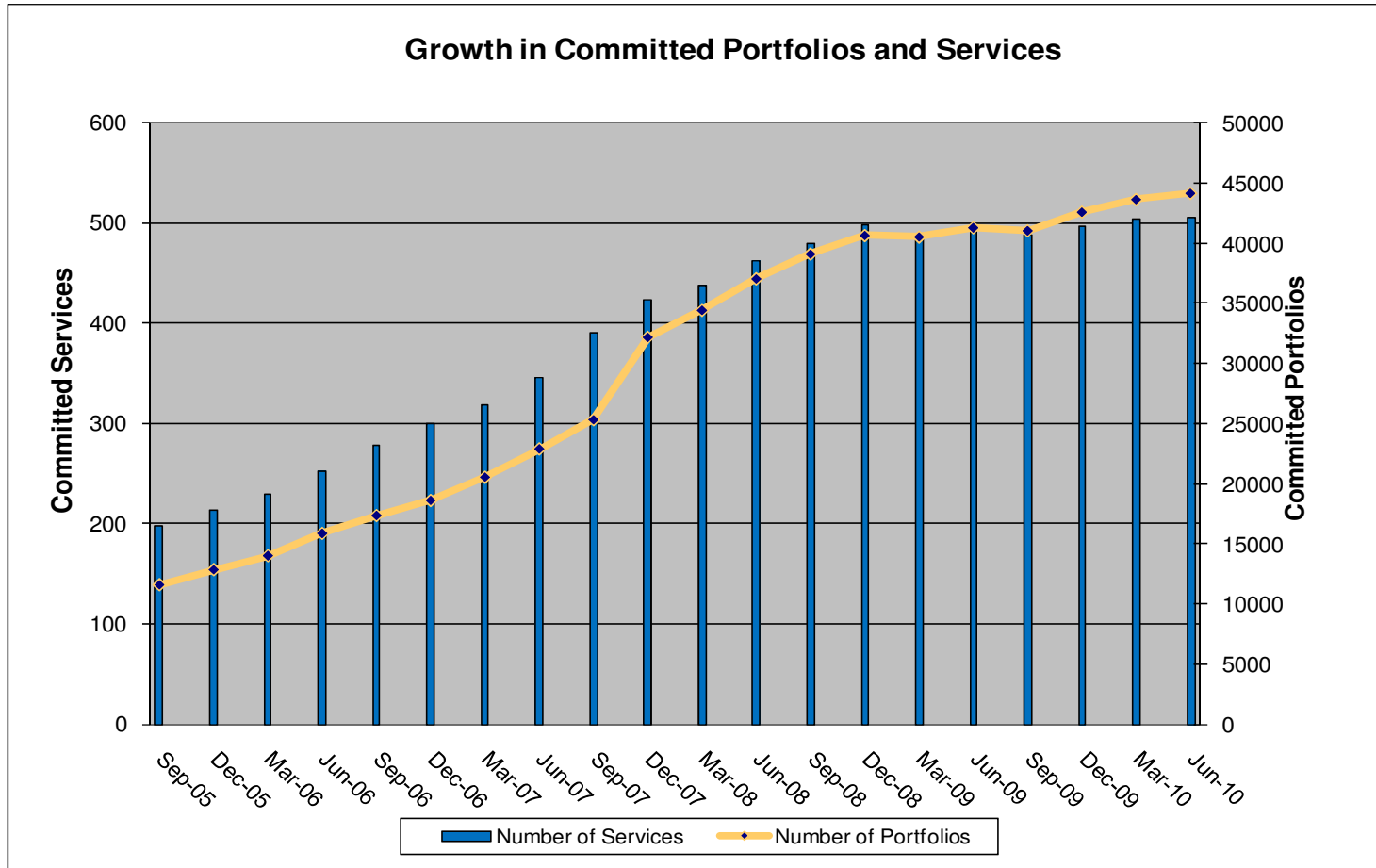
	EBITDA FY10 (`000)	EBITDA FY09 (`000)	Variance & Commentary
V-Wrap (including V- Wrap Adviser)	4,441	3,315	<ul style="list-style-type: none"> •34% improvement •Includes growth in portfolios and E*TRADE
Praemium SMARTwrap	803	-	<ul style="list-style-type: none"> • Contracted revenue
SMA	(547)	(739)	<ul style="list-style-type: none"> •26% improvement •Flat lined during GFC but growth in this period is promising •Praemium SMARTwrap to drive growth
UK	(3,675)	(6,162)	<ul style="list-style-type: none"> •40% improvement •Take-up from UK clients is accelerating
Corporate	(6,083)	(7,090)	<ul style="list-style-type: none"> •14% improvement •Tight management of corporate overhead
Total (Group)	(5,061)	(10,676)	<ul style="list-style-type: none"> •53% improvement •Strategies beginning to pay off

Highlights



	Revenue (\$'000) FY10	Costs incl. R&D (\$'000) FY10	EBITDA(\$'000) FY10
V-Wrap (including V- Wrap Adviser)	9,770	5,329	4,441

- V-Wrap continued to increase its footprint:
 - 44,167 portfolios – a 7% increase
 - \$39.7 billion FUA – a 26% increase
- V-Wrap revenue increased by 21% to \$9.77 million
- Over 17,500 SMSFs = approx. 4% of market
- E*TRADE deal went '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 launched in June 2010 to E*TRADE customers on subscription



Highlights (cont..)



V-Wrap

- Equity trading functionality being deployed using E*TRADE and Morgan Stanley Smith Barney
- In June 2010:
 - p-Desktop was rebranded as V-Wrap Adviser
 - Portfolio Trader (which was first launched in December 2009) was rebranded as V-Wrap Investor
 - Introduced additional V-Wrap portfolio types, including International Investments at the portfolio level
- V-Wrap Adviser and V-Wrap Investor now marketed as integral components of V-Wrap
 - 224 services have deployed V-Wrap Adviser

Outlook



- **Praemium SMARTwrap**
 - Launched in July 2010
 - Full Managed Fund trading/wrap capability
 - Compelling proposition for clients
 - Better functionality
 - Cheaper than legacy wrap platforms
 - Supports transition from commission to fee for service
 - Increases V-Wrap's addressable market
 - From 10% → 100% of Advisers
 - Targeting 2% in 2-3 years of approx. \$400 billion = approx. \$8+ billion
 - Strong enquiry rate from prospective clients
- **Improve Accountant penetration**
 - Continue improvement of Super compliance interfaces
 - Additional V-Wrap portfolio types to cater for 'smaller' portfolios
 - Develop Accountant Investment Register

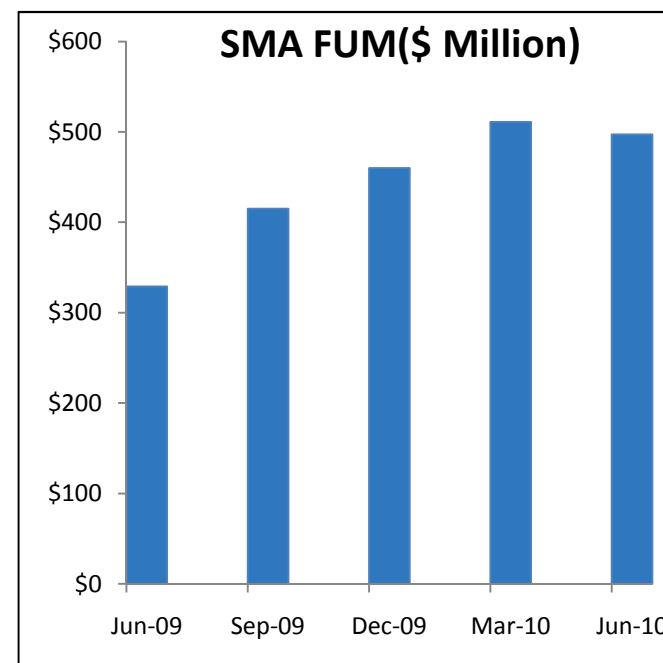


Highlights



	Revenue (\$'000) FY10	Costs incl. R&D (\$'000) FY10	EBITDA(\$'000) FY10
SMA	446	993	(547)

- BlackRock Customised Portfolio Service:
 - 123 organisations now subscribed to this service
- SMA FUM increased by 51% to \$497 million
 - Started growing in April 2009
- SMA revenue grew by 59% to \$446K



Outlook



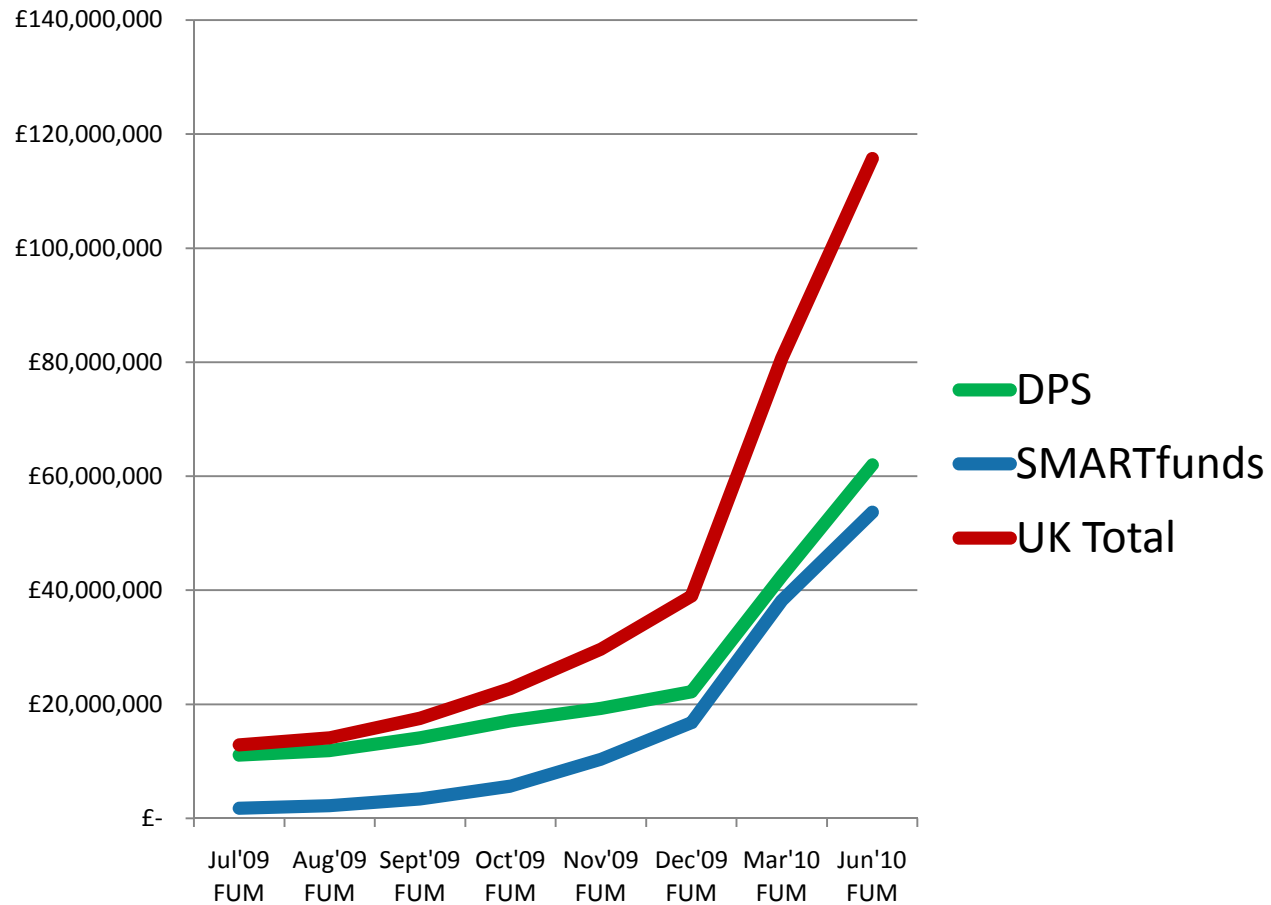
- FUM for SMA will improve with market
- Imminent deployment of 'Models of Models'
 - Compelling value proposition for Advisers
 - Elimination of ongoing SOA
 - Reduction of business risk
 - Improved business value
 - Strong demand from current and prospective clients
- Praemium SMARTwrap to drive growth
 - Allows transition from old legacy wraps
 - One powerful platform showing traditional Managed Funds and new SMA portfolios

Highlights – United Kingdom

	Revenue (\$'000) FY10	Costs incl. R&D (\$'000) FY10	EBITDA(\$'000) FY10
United Kingdom	835	4,510	(3,675)

- UK FOP increased by 915% to £115.7 million
- Praemium UK clients have circa £3 billion 'under influence'
- Our two key offerings are well positioned within the UK regulatory environment
 - Commission is banned from end of 2012
 - Strong fiduciary requirement – Treat Customers Fairly (TCF)
- Russell Investments selected Praemium SMA platform
 - Large global investment manager, with very high net worth clients
 - Multi-jurisdictional deployment to global offshore Trust company
 - Expected to start on boarding FUM this quarter

Highlights – United Kingdom



Outlook – United Kingdom

- Strong growth in the UK platform market
 - Current size is approx. £90 billion
 - Forecast to grow to £300+ billion by end of 2012
 - Driven by ban of commissions
 - Praemium is well placed to benefit from these aspects
- Offshore market is an additional driver
 - Russell Investments is the first offering in this space
 - A number of other negotiations are in progress
 - Large untapped market that is not well served by existing platforms
 - Praemium is well positioned for growth in this segment

Looking ahead

- To continue with achieving strong growth in revenues from:
 - Further enhancing our service offerings in Australia
 - Seeking and supporting new operators (e.g. Powerwrap) to penetrate mainstream Adviser market
 - Increasing distribution and building FOP in the UK
- Maintaining tight control on costs
- To realise substantial revenue leverage from the scalability of our services, and from enhanced productivity in general
- Aiming to become operating cash flow positive during 2HFY11



Important Notices

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