



Half Year Results Presentation

3 March 2009

Due to a technical error, some pages were omitted from the copy of this presentation that was released to the market earlier today.

About Praemium: Praemium supplies online Portfolio Administration Services (V-Wrap) and Separately Managed Account (SMA) technology to wrap providers, financial planners, accountants and stockbrokers in Australia.

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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	50,332,455	263,273,894
BLY	2.100	0.050	2.407	41,993,279	87,971,714
ZYL	0.073	0.010	13.699	1,573,573	2,615,271
ETC	0.073	-0.016	-17.978	33,439,282	2,904,012
ICP	0.064	0.007	10.938	1,237,900	1,208,371
ILF	1.350	-0.010	-0.735	1,237,900	26,219,586
BHP	31.770	-0.160	-0.500	1,237,900	541,837,276
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
MG	3.050	-0.050	-1.613	15,331,132	45,700,000
	0.025	0.000	0.000		

Præmium Update

March 2009

Arthur Naoumidis
Group CEO

Agenda

- ❑ Præmium in Australia
- ❑ United Kingdom
- ❑ Key financials



Præmium in Australia

3 key services:

- ❑ Virtual Wrap
- ❑ Separately Managed Accounts (SMA)
- ❑ Market Data & Trading System





	Jun-07	Dec-07	Jun-08	Dec-08
V-Wrap				
Committed portfolios	22,860	32,160	37,040	40,651
Funds under administration	\$24.1 billion	\$28.5 billion	\$29.2 billion	\$26.5 billion
Number of wholesale clients	346	423	462	498

Growth continues – even in this tough market



V-Wrap Highlights



- ❑ 7.8% increase in clients (to 498)
- ❑ 9.7% increase in portfolios
- ❑ SMSFs grow 24% to ~16,500
- ❑ System enhancements
 - Multi-CCY, Multi Exchange, Fixed Interest, FX, Advanced Corporate Actions Processing
- ❑ E*Trade contract (Post Balance Date)

V-Wrap Outlook



- ❑ Accountants are driver for growth in 2009
- ❑ SMSFs are a particular focus
- ❑ Planners and brokers are struggling
 - They need to reduce costs
 - V-Wrap is a good way
- ❑ Look at accelerating organic growth
 - Help our clients grow their client bases

SMA

Highlights



- ❑ Blackrock Exclusivity Expired but continues as a key SMA operator
- ❑ Actively pursuing strategy to ensure a balance of white label and institutional partners with captive distribution for SMA in addition to BlackRock
- ❑ Powerwrap signs Heads
- ❑ 26% increase in services (to 180)
- ❑ FUM steady at \$286 Million

SMA

Outlook



- ❑ New SMA operators
 - Targeting 2 more large scale operators
 - Discussions are ongoing

- ❑ Strategy SMA's
 - Concept developed in the UK and brought back to Australia
 - Significant interest in Australia

- ❑ Accountant SMA's
 - Fits in with V-Wrap's strengths
 - The "Holy Grail" – target SMSFs

p-Desktop **Highlights**



Australia

- ❑ 166 firms agree to deploy p-Desktop
- ❑ Adviser focus
 - Portfolio Reviewer, Portfolio Planner, Enhanced Trading
- ❑ Back office integration
 - Development and testing of extensive GBST interface

p-Desktop **Outlook**



Australia

- ❑ Target retail brokers
 - Brokers having significant operational cost issues
 - P-Desktop a cost effective solution for market data and trading services
 - Advanced adviser tools to address SOA and compliance

- ❑ On-line broker deployment
 - Several opportunities
 - Silverlight 2 development

United Kingdom

Highlights



- ❑ First commercial prospectus authorised
 - OBSR SMARTfund

- ❑ First 4 SMARTfund clients signed
 - Foster Denovo, Informed Financial Planning, Radcliffe & Newlands and Fat Prophets

- ❑ First discretionary client
 - Price Bailey

- ❑ Praemium UK is “Live”

United Kingdom

Outlook



- ❑ Sustained growth in SMARTfund during 2009
 - Lead times for asset loading
 - Usually includes entry fee

- ❑ Parallel focus on Discretionary IFA market
 - Quicker loading of assets → faster revenue growth
 - Captive market - main competitor has withdrawn from market

- ❑ 2009 is expected to show growth in UK revenue

Key Financial Details

- ❑ EBITDA for half year to 31 Dec 2008 = (\$6.6 million)
- ❑ All UK development costs are expensed
- ❑ Praemium has no debt
- ❑ Operational revenue for:
 - Half Year 31 Dec 2008 = \$3.4 million
 - Half Year 31 Dec 2007 = \$2.9 million
 - Half Year 31 Dec 2006 = \$1.8 million
 - Cash at end of December 2008 = \$6.7 million

Cash Strategies

- ❑ Forward selling commercial deals in Australia
 - Flagged at AGM
 - E*Trade is the first example
 - Sizeable upfront payment
 - Expected to generate > 60% additional annual cash flow
 - Most of initial cash to be delivered over the next 6 months
 - Other deals being negotiated

- ❑ UK is now live
 - Will start earning cash and accelerate throughout 2009
 - Cash burn will diminish throughout 2009

- ❑ Cash is “Top of Mind” for board

Key Financial Details - cont

Quarterly Comparison

Quarter	Revenue	Receipts	V-Wrap		SMA FUM
			Nbr Portfolios	FUA	
Sep-07	\$1,320 K	\$1,380 K	25,300	\$26.3 bn	\$233 mn
Dec-07	\$1,651 K	\$1,598 K	32,160	\$28.5 bn	\$323 mn
Mar-08	\$1,729 K	\$1,889 K	34,417	\$28.1 bn	\$338 mn
Jun-08	\$1,688 K	\$1,611 K	37,040	\$29.2 bn	\$338 mn
Sep-08	\$1,954 K	\$1,821 K	39,103	\$27.9 bn	\$283 mn
Dec-08	\$1,485 K	\$1,328 K	40,651	\$26.5 bn	\$286 mn

Dec-08 Note: Revenue for quarter reduced by \$250K due to refund to UBS

Key Financial Details

Operating Performance to Dec 2008

Half Year to December 2008	Operating Revenue	Direct Costs	Operating EBITDA	Corporate Costs	EBITDA net of Corporate Costs
V-Wrap	3,125	1,924	1,201	1,341	(140)
SMA	135	579	(444)	403	(847)
Desktop	93	385	(292)	268	(560)
UK	55	3,021	(2,966)	2,105	(5,071)
Corporate	32	4,149	(4,117)		
Total	3,440	10,058	(6,618)	4,117	(6,618)

Key Financial Details

Staffing & Resources

Location	Dec-08	Jun-08	Dec-07
Australia:			
Operations / Client Service	12	14	8
Implementation Services	4	0	0
Sales & Marketing	7	7	8
Executives	2	3	3
R&D /IT	27	22	25
Finance, Compliance & Legal	6	6	5
Total Australia	58	52	49
UK			
Operations/Client Service	10	8	7
Sales & Marketing	1	1	2
Executives	1	1	1
R&D/IT	10	8	4
Finance, Compliance & Legal	5	4	3
Total UK:	27	22	17
Total	85	74	66

Notes:

- 1) **Australia levels include part time positions**
- 2) **Staffing levels in Australia needed to support large client take on – was UBS and now is Etrade**

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