

27 October 2008

## **Service Agreement with UBS will not be finalised**

UBS has decided not to proceed further with negotiations in respect to the proposed arrangements under which Præmium may have supplied portfolio administration services to UBS' Australian Wealth Management Business.

UBS appointed Præmium as its preferred tenderer for these services in November 2007. Since that time the parties have worked together to specify the specific business requirements for UBS' portfolio administration solution, which included further enhancement of Præmium's V-Wrap where there were requirements not already offered. UBS has advised that its decision not to proceed with the project relates to concerns about timing and delivery.

Præmium's Group CEO said: "Whilst it's disappointing that the project is not proceeding, I'm very positive about the benefits to V-Wrap of the developments and enhancements that have been escalated as a consequence of the work that we've been doing to try and finalise the offering. I'm enormously proud of the work that has been done and what has been achieved." A range of new enhancements to V-Wrap designed for international wealth managers, including administration of assets in multicurrency / multi exchange environments, advanced fixed interest capabilities and new functionality allowing for corporate action notification and election (CANE) are now completed or very close to completion, and will be available soon for deployment to Præmium's clients.

As a consequence of the cessation of negotiations, Præmium will refund \$250,000 advanced by UBS in anticipation of a commercial arrangement being finalised. As the Group has no debt and its Australian business has continued to grow, this will not have any significant impact on Præmium's financial position.

Præmium remains confident that it will meet its business plan as described in its recent annual report. Current volatility in financial markets is expected to place advisers under increasing pressure to explain and minimise poor performance in investment portfolios to their clients, and Præmium continues to believe that advisers will need to closely examine the costs of investing and seek more efficient, lower cost solutions. Accordingly, Præmium considers it more important than ever to stick to its strengths which include the provision of high quality and consistent levels of service to a broad client base.

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**About Præmium:** Præmium supplies online portfolio administration services (V-Wrap), market data (p-Desktop) and Separately Managed Account (SMA) technology to wealth managers, financial planners, accountants, stockbrokers and SMSF administrators. V-Wrap currently administers in excess of \$29bn.