



2014 Annual General Meeting Presentation

11 November 2014, Melbourne:

Praemium (ASX:PPS) is pleased to provide a copy of the address to be given by Praemium's Chairman, Mr Bruce Loveday, and the presentation by Praemium's CEO, Mr Michael Ohanessian at the Company's Annual General Meeting (which will commence at 11am this morning).

About Praemium: Praemium is a global leader in the provision of investment administration, Separately Managed Account (SMA) and financial planning technology platforms. Praemium administers in excess of 300,000 investor accounts covering approximately \$80 billion in funds globally, and currently provides services to approximately 700 financial institutions and intermediaries, including some of the world's largest financial institutions.

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Ladies and Gentlemen

At last year's AGM, I referred to the improvement in Praemium's operational structure and to the opportunities the Company had in front of it. Today, I am pleased to be able to state that the improvements have continued and that the opportunities Praemium sees are in no way diminishing. We will benefit from the opportunities available to us over time, and we must. Notwithstanding the enthusiasm with which your Board is viewing Praemium's future, the Company is yet to achieve operating profitability, and that is a key priority for us going forward.

Last year, the reported profit for the Company was positively influenced by our recognition of a Deferred Tax Asset. There has been no similar event this year and, as a result, reported profits for financial year 2014 are lower than 2013. However, after excluding the effect of recognising the Deferred Tax Asset, Praemium's financial performance has improved over the year.

Our operating loss was smaller in 2014 than in 2013 and, most importantly, the Company's net cash positioned improved over the year. From a level of \$8.0 million at 30 June 2013, net cash increased to \$8.5 million at 30 June 2014. Our CEO, Michael Ohanessian will discuss Company's results and outlook in more detail later this morning.

As shareholders are aware, management has undertaken a number of steps over the past few years to improve the Company's financial performance. The initial focus was to strip unnecessary costs out of the business and refocus some core activities. During the year just ended, we have reinvested in our business – especially in the areas of product development, sales and customer support - to ensure we have the necessary resources to enable us to expand our market presence and to enhance our product range. Going forward, the critical challenge is to continue to grow our revenue line. I would now like to make some comments in that regard.

A core element of Praemium's business is the provision of separately managed account (SMA) services, both in Australia and the UK. Praemium's revenue from providing SMA services is earned as an asset-based fee, meaning that a critical indicator of future revenue growth is the level and rate of change in the volume of funds on our various SMA platforms.

Over the course of the financial year ended 30 June 2014, SMA funds in Australia grew by 67% to \$1.5 billion, while in the UK, SMA funds grew by 20% to GBP 540 million. Growth in funds has continued in the current financial year and, as at 31 October, SMA funds in Australia had grown from the 30 June levels by a further 16%, and UK SMA funds had grown by 11% over the same period.

Using the exchange rate that applied at the end of October, Praemium's total SMA funds stood at A\$2.8 billion. We are delighted at this growth, which reflects both growing

PRAEMIUM LIMITED - CHAIRMAN'S ADDRESS – 2014 AGM

acceptance of the SMA concept and Praemium's position as a major provider of SMA services globally, and we expect more of it.

During the year, we announced the commencement of a relationship with Hong Kong's Dah Sing Bank through our Asian business, and we see great opportunities for Praemium as Asia's financial services industry expands.

Our traditional V-WRAP business also continues to thrive. Last week, we announced a major 5-year contract extension with our largest V-WRAP client, which will have a material impact on our revenues over the coming years. I should also refer to the strong growth being exhibited by Powerwrap, one of our foundation clients. We are delighted at their success and we look forward to continuing to provide services to Powerwrap as they continue to grow.

In concluding, I would like to make some comments about Board composition and governance of Praemium. As shareholders are aware, Bruce Parncutt – my predecessor as Chairman – stepped down from the Board in December 2013. After an extensive search, the Board decided to appoint Mr. Andre Carstens to the vacant position, and also to ask Andre to chair the Company's Audit, Risk and Compliance Committee. Andre presents himself for election to the Board today and, while I will invite him to make some comments about himself to shareholders at that time, let me personally say now that Andre has an extensive background in financial services and related areas, in both executive and non-executive capacities – and I am delighted that he accepted our invitation to join the Board. I look forward to his election to the Board later today.

Praemium has had two non-executive directors on the Board of its UK subsidiary ever since we commenced operations there. David Harrison and Roland Ward have served the Company very well and provided sound and wise counsel for the past 7 years. Both gentlemen retired from the Board last month and they have been replaced by two of our executives in the UK – Sarah Jouhal who is the senior executive at Praemium International (our Jersey-based business) and Rebecca Murphy, our UK Head of Distribution and who is with us today.

On behalf of shareholders, I would like to publically thank David Harrison and Roland Ward for their invaluable contribution to Praemium over a long period, and also to say how pleased I am that we have executives of the calibre of Sara and Rebecca to assume the roles of Executive Directors of the UK business.

I look forward to being able to report continued progress to shareholders in the future and will now invite our CEO Mr. Michael Ohanessian, to present his report to the meeting.

Bruce Loveday
Chairman – Praemium Limited
11 November 2014

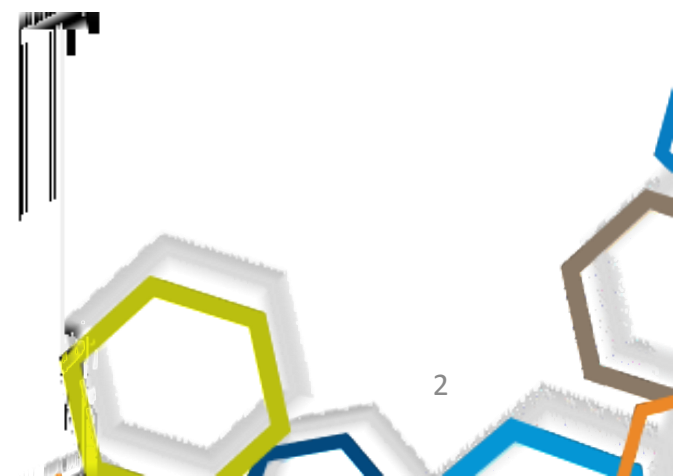
CEO's Report

Michael Ohanessian - CEO



The material contained in this document is a presentation of general information about the Praemium Group's activities current as at the date of this presentation (11 November 2014). It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the Praemium Group or any of its related bodies corporate.



Who we are

ASX Listed

- Company founded in 2001
- Listed on Australian Stock Exchange (ASX) in 2006

Global Footprint

- Head office in Melbourne, Australia
- Locations across London, Jersey, Hong Kong & Shenzhen
- Over 150 staff

Services

- Wealth management software
- Over 700 wealth management clients covering \$80 billion in assets

What we do

Software
as a
Service

Portfolio
Admin
(V-Wrap)

- Non-custodial portfolio administration system
- Record, monitor and report investments
- Web based, with Australian-based clientele

Financial
Planning
(WealthCraft)

- CRM*- client centric financial planning
- Intuitive, flexible, efficient
- Cloud based, global

Investment
platform

Separately
Managed
Account
(SMA)

- Custodial platform with proprietary technology
- Next gen platform – managed accounts
- Web based, global

*CRM: Customer Relationship Management

Economics

Recurring revenue

- Software services – subscription based
- SMA – based on funds on platform

Scalable operations

- Efficient cloud/web delivery model
- Discretionary mode (SMA) drives automated rebalancing and account updates
- Low marginal operating costs
- Australia at 40% EBITDA margins on \$15 million revenue

Technology

In-house proprietary technology

- Web based from the outset

Unique account reconstruction engine

- Enhanced by a thorough corporate actions database
- Significant competitive differentiator

Dynamic SMA rebalancing

- Model portfolios “float” with the market
 - We reflect the “mind of the manager”
 - Low tracking error between investors and model
- All investors rebalanced simultaneously when manager adjusts model portfolio
 - Shared, low trading costs

Company is now on track

F12

New board and management team

Major cost reduction program to cease cash burn

Operational effectiveness program commenced in the UK to improve client service

New strategic direction formulated

F13

Two small acquisitions completed:

- Vertical integration of the Australia SMA (replaced BlackRock as Responsible Entity)
- Acquired WealthCraft financial planning software

Continued UK operational effectiveness program

Commenced several strategic new product developments

F14

Revenue growth of 28%

Milestone win for WealthCraft in banking space

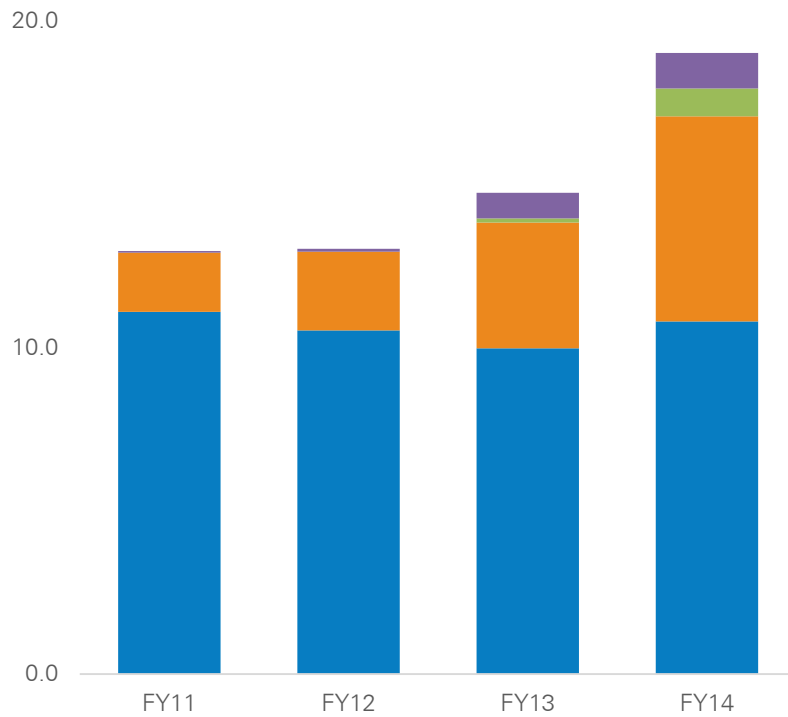
UK operational improvements in place and now growth ready

Significant momentum of funds onto SMA platform in second half

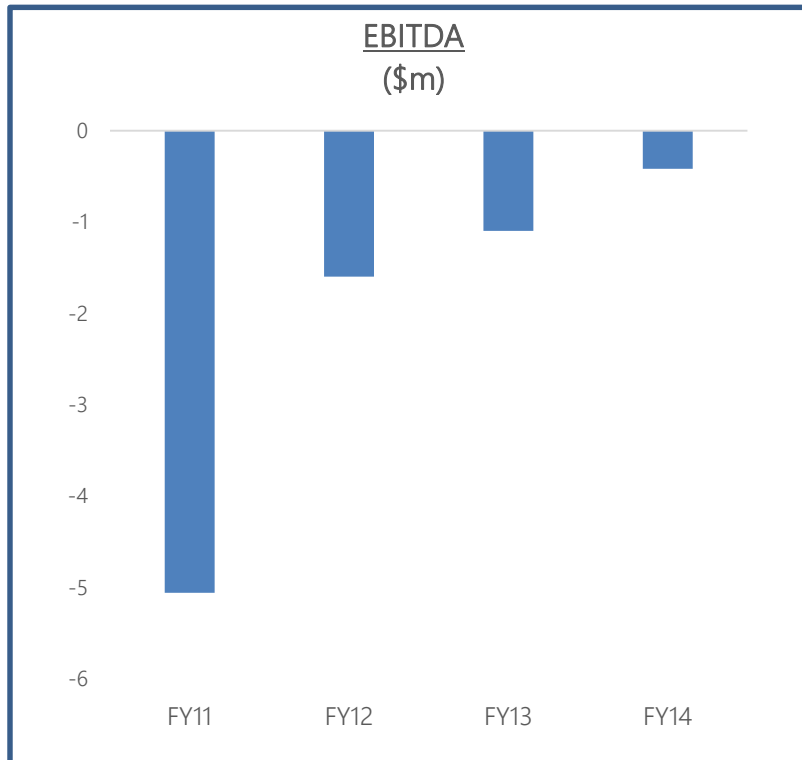
Product development projects progressed and nearing beta phase

Revenue growth of 28%

Product Revenue

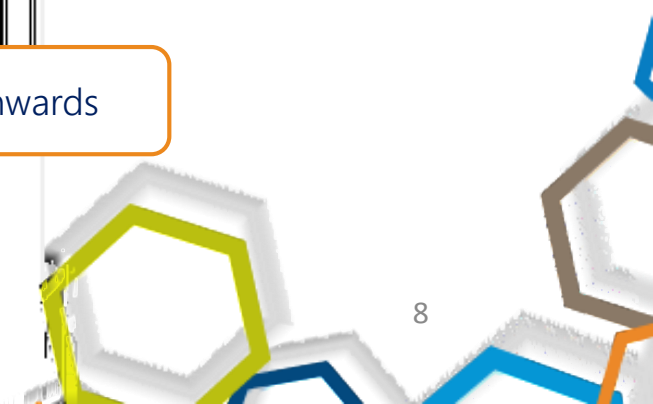


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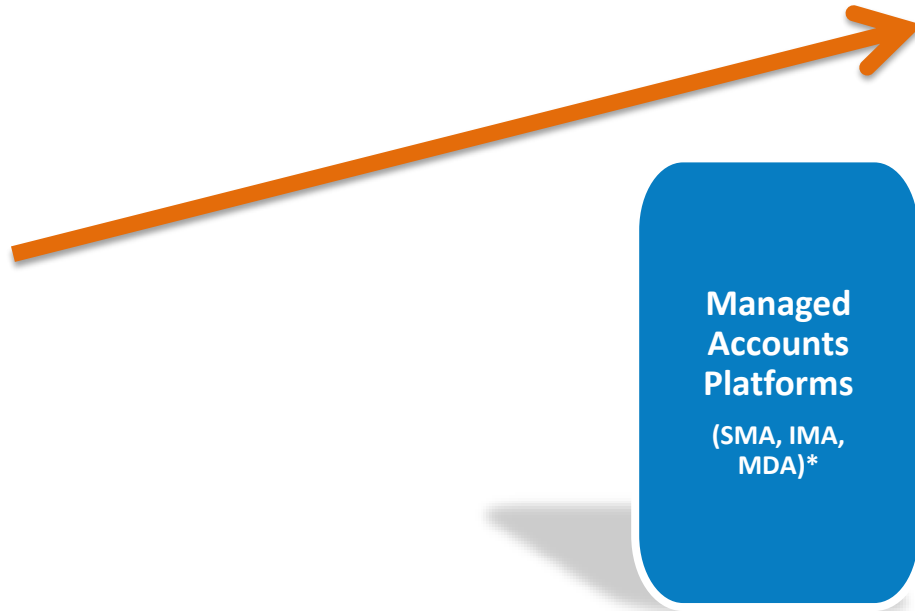


(\$m)	FY11	FY12	FY13	FY14
REVENUE	13.0	13.0	14.9	19.0
Operations	(4.7)	(3.7)	(3.8)	(4.8)
Gross margin	8.3	9.3	11.1	14.2
GM %	64%	72%	74%	75%
IT	(3.8)	(3.2)	(3.6)	(4.4)
Sales & Marketing	(2.9)	(2.3)	(3.1)	(4.0)
General & Admin	(6.6)	(5.4)	(5.4)	(6.2)
EBITDA	(5.1)	(1.6)	(1.0)	(0.4)

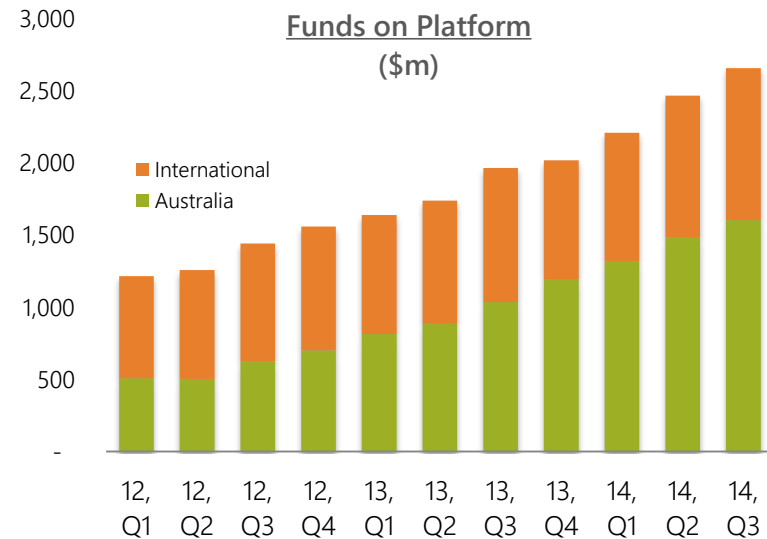
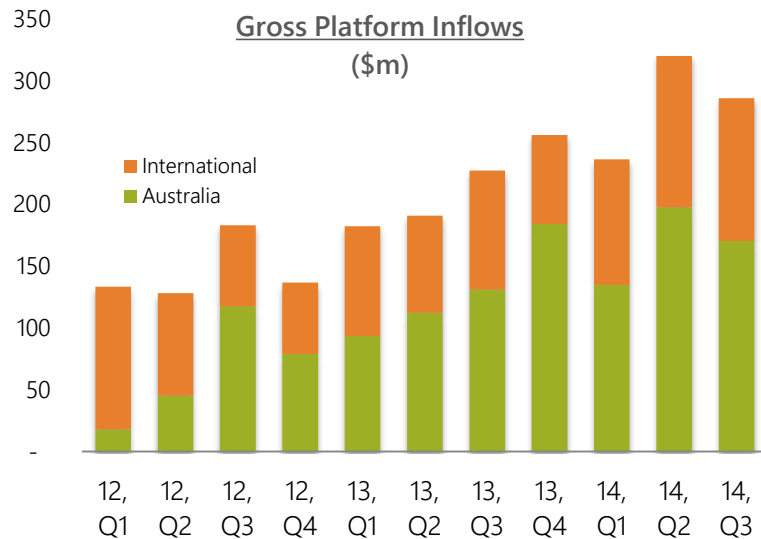
Targeting sustainable profitability from FY15 onwards



SMA expanding rapidly in Aus



SMA growth continues into FY15



Highlights into FY2015

Funds on Platform up 35% on prior year*

Several new white label SMA services launched

UCITS^ compliant Smartfund launched for offshore market in July

Reached \$150 million in assets in first year of Smart Investment Management

*As at 30 September 2014

^Undertakings for Collective Investment in Transferable Securities

Portfolio Admin Services

V-Wrap

- Considerable progress on SMSF functionality for compliance and reporting
- New mobile investor portal in beta trials
- Active portfolios up 3% on last year*

Institutional

- New 5 year V-Wrap contract with guaranteed minimums of \$3m pa
- Powerwrap platform growing strongly
 - FUA reached \$2 billion
 - Solid pipeline of wrap business to drive further growth

WealthCraft

Major milestone with a 5-year contract with Dah Sing Bank

Enhanced relationships with Microsoft as a key partner in the Financial Services industry

- Recently upgraded to Microsoft CRM Gold Partner
- Appointed as a Microsoft Partner Seller in Hong Kong
- Joint marketing to key accounts including retail banks seeking a CRM solution for wealth management

Significant progress on core modules required to provide a complete financial plan solution to the Australian market.

FY2015 – our breakout year

So far:

- ✓ Continued strong momentum in SMA fund inflows
- ✓ On-boarding of key customer signups progressing well
- ✓ Renewed 5-year contract with major customer with higher margins

To come:

Maiden underlying profit FY2015

Release of new mobile investor portal

Release of SMSF compliance and reporting within V-Wrap

Full launch of SMA Retail Superannuation

Full launch of WealthCraft in Australia

Global, scalable business model

Important product releases in second half of FY2015

SMA platform pipeline very solid and inflows expected to continue to expand

WealthCraft momentum to accelerate with release of full product suite in 2015

Launch of SMSF compliance and reporting tools a catalyst for long-term growth of V-Wrap

On track for maiden underlying profit this year with forward operating leverage

