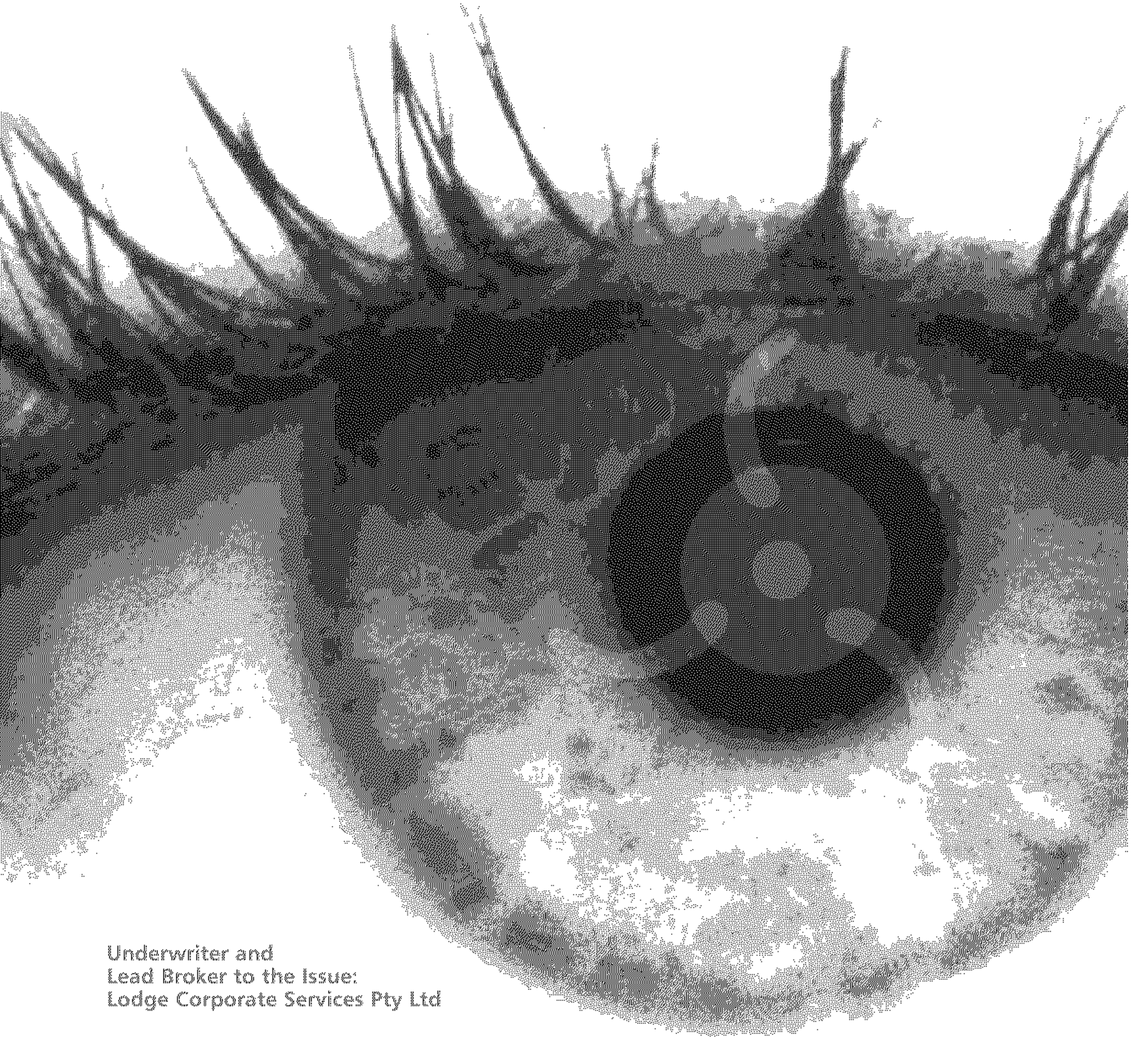
Praemium Limited is seeking to raise $18,000,000 by the issue of 45,000,000 Shares at $0.40 per Share. This offer is fully underwritten.

In addition Praemium Limited is offering under this prospectus up to 1,660,000 shares to Employees at an issue price of $0.38 per share. The offer to Employees is not underwritten.

An investment in Praemium Limited should be regarded as speculative. There is no guarantee of any dividends, capital returns or the market price for Praemium Limited Shares. Potential investors should consult their professional advisers.

Praemium Limited   ACN 098 405 826

præmium prospectus



Underwriter and
Lead Broker to the Issue:
Lodge Corporate Services Pty Ltd

important notices & key dates

PRESCRIBED INFORMATION

This Prospectus is dated 13 April and was lodged with ASIC on that date. Neither ASIC nor the ASX take any responsibility for the contents of this prospectus.

Praemium will apply for admission to the official list of the ASX and Quotation of the Shares Offered under this Prospectus within seven (7) days following its date.

No shares will be allotted or issued on the basis of this Prospectus later than thirteen (13) months after its date.

No person or organisation is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been duly authorised by Praemium in connection with the Offer.

This Prospectus provides information for investors to decide if they wish to invest in Praemium, and should be read in its entirety. If, after reading this Prospectus, you have any questions about its contents, you should contact the Underwriter, your accountant or other advisor.

In considering Praemium's prospectus, potential investors should consider the risk factors that could affect its performance, including those outlined in Section 7 of this Prospectus. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your financial advisor, planner, accountant, stockbroker, lawyer or other professional advisor before deciding to invest.

There are restrictions on the distribution of this Prospectus

This Prospectus does not constitute an Offer of Shares in any jurisdiction other than Australia. This Prospectus does not constitute an Offer of Shares in any jurisdiction where, or to any persons to whom, it would be unlawful to issue this Prospectus. It is the responsibility of any overseas applicant to seek advice and to ensure compliance with all laws of any country relevant to its application. Any failure to comply with such restrictions may constitute a violation of applicable securities law. The return of a duly completed Application will be taken to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

How will this Prospectus be made available?

This Prospectus may be viewed online at Praemium's website at **www.praemium.biz** and on the Underwriter's website at **www.lodgepartners.com.au**. Applicants using Application Forms attached to the electronic version of this Prospectus must be Australian residents.

Persons who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. A paper copy of this Prospectus will be provided free of charge to any Australian resident who requests a copy by contacting the Underwriter on (03) 9200 7000 during the Offer period.

Indicative Key Dates

The indicative key dates with respect to the Offer are as follows:

Lodgement of the Prospectus with ASIC	13 April 2006
Expected Opening Date	19 April 2006
Expected Closing Date	11 May 2006
Expected date for transaction confirmation statements to be dispatched	18 May 2006
Expected date for Quotation of Shares on ASX	24 May 2006

Please note that these dates are indicative only as Praemium, in consultation with the Underwriter, may alter these dates at its discretion and without prior notice. Applicants are, therefore, encouraged to submit their Applications as soon as possible after the Offer opens.

Application Forms

The Application Forms included in this Prospectus may only be distributed if they are included in, or accompanied by, a complete and unaltered copy of the Prospectus. The Application Forms contain a declaration that the investor who has received the Prospectus electronically has personally received a complete and unaltered copy of the Prospectus prior to completing the relevant Application Form. Praemium will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of the Prospectus, or it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

Exposure Period

Applications for Shares under this Prospectus should not be lodged, and will not be processed, until after the expiry of the Exposure Period for this Prospectus, under the Corporations Act. If the Exposure Period is extended, Applications will not be accepted until after the expiration of the extended Exposure Period. No preference will be conferred on Applications received during the Exposure Period. The purpose of the Exposure Period is to enable examination of the Prospectus by market participants prior to the raising of funds, in compliance with the law. That examination may result in identification of deficiencies in the Prospectus and, in those circumstances any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. This Prospectus will be made generally available during the Exposure Period by being posted on the Underwriter's website at **www.lodgepartners.com.au** and Praemium's website at **www.praemium.biz**.

Definitions, Glossary and Photos

Defined terms and abbreviations used in this Prospectus are explained in the glossary in Section 11. All financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. All references to time are to the time in Melbourne, Australia.

contents page

letter from the Chairman

On behalf of the Directors, it is my pleasure to invite you to become a shareholder in Praemium Limited.

In many countries, the financial services industry is experiencing rapid growth. This reflects increasing wealth, the wider choice of investments, the ageing of populations and the increased need for people to provide for their own retirements.

In Australia, the financial services industry is an especially large and growing one, thanks to the combination of compulsory superannuation, favoured tax treatment on superannuation, and our widespread ownership of shares.

Praemium was formed in 2001, by our Managing Director Arthur Naoumidis, to provide a technologically advanced system for administering investment portfolios. The emphasis of our marketing and services has been on accountants, financial planners and stockbrokers who utilise Praemium's system for administering large numbers of investment portfolios across their own client base.

Despite being a relatively young company, Praemium has already achieved an established and growing presence in the financial services industry. By March 2006, the value of funds under the Praemium reporting system had reached approximately $10.4 billion across approximately 13,000 portfolios.

Recently, Praemium has extended its proprietary technology to include the operation and administration of Separately Managed Accounts (SMA's).

This investment platform, used widely in the United States, enables investors to hold and to manage even diverse portfolios in a way that is administratively simple, is cost effective and which allows customizing of investment selection. Praemium's SMA technology has been adopted in Australia by Merrill Lynch Investment Managers Limited.

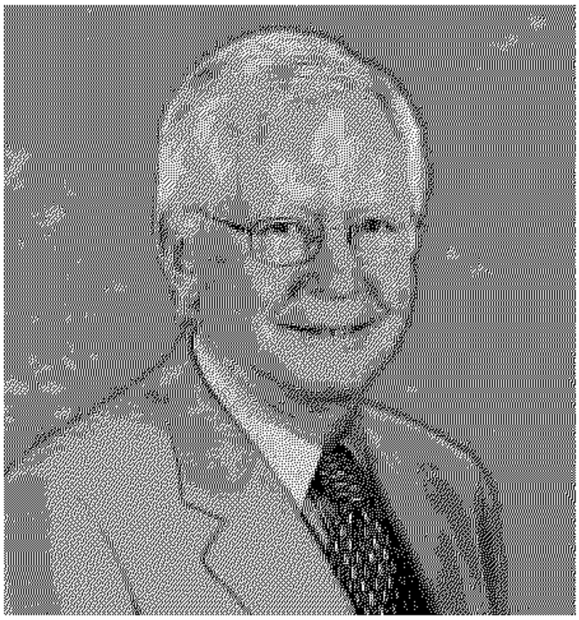
As well as many growth opportunities in Australia, the Directors believe there are potentially exciting opportunities in selected overseas countries, initially the United Kingdom, to provide the services of Praemium's proprietary technology.

Directors believe that the Offer presents an opportunity for investors to participate in an innovative and rapidly growing business – a business that is already beginning to achieve scale in Australia.

This is an exciting time for Praemium as it looks to accelerate its already impressive growth in Australia and expand, for the first time, into the international arena.

I look forward to your consideration of this Offer and to welcoming you as an investor in Praemium Limited.

Dr Don Stammer
Chairman
Praemium Limited



"This is an exciting time for Praemium as it looks to accelerate its already impressive growth in Australia and expand, for the first time, into the international arena."

Dr Don Stammer, Chairman, Praemium Limited.

section 1. investment highlights

section 1. investment highlights

Please note, investors should also read the Investment Considerations and Risk Factors outlined in Section 7 of this Prospectus before deciding to invest in Shares. The following is only a summary of the key investment features of investing in Praemium Limited.

OVERVIEW

Praemium Limited was formed in 2001 and has grown rapidly to be a recognised provider of its proprietary on-line Portfolio Administration Services ("PAS") in Australia. In addition, Praemium has developed leading proprietary technology for the operation and administration of the Separately Managed Accounts (SMA) investment structure.

KEY SERVICES

Praemium has developed two key services for the financial services sector being,

- PAS – Praemium's proprietary online portfolio administration service which it provides to accountants, stockbrokers, financial planners and superannuation administrators to use for administering their own clients' investment portfolios; and
- SMA – its proprietary technology which underpins the operation and administration of a Separately Managed Account investment structure, which is used exclusively (in Australia) by Merrill Lynch Investment Managers Limited (MLIM) in the provision of its White Labelled SMA products.

PAS FEATURES

Established Presence and Growing Client Base

The PAS has been operational for just over 3½ years and has already started to enjoy considerable success. In the 12 months from the end of November 2004, the value of investments administered by PAS grew from approximately $2.9 billion to approximately $8.5 billion. As at the end of February 2006, there were more than 220 financial services organisations using PAS to administer approximately $10.4 billion of assets across approximately 13,000 investment portfolios. Praemium's PAS clients include some of Australia's largest financial service providers.

Positioned For Continued Growth

There are many growth opportunities expected to present in the short and medium term, including:

(i) **New Business/Increased Market Share** – Praemium has just begun penetrating Australian markets;

(ii) **Increased Usage by Existing Clients** – a number of the larger industry participants amongst Praemium's clients have only recently commenced using PAS and are continually adding to the number of portfolios they administer using PAS;

(iii) **Continued growth in the Australian investment market** which should add to the number of portfolios available to be administered using PAS;

(iv) **New International Markets** – immediate opportunity in the UK and possible future opportunities in other markets; and

(v) **Future Acquisition** – as Praemium achieves scale in its operations, opportunities for acquisition of complementary or synergistic businesses may present.

Attractive Business Model

Two key features demonstrate the attractiveness of Praemium's business model, namely:

(i) **Largely Recurring Revenues** – revenues from a preceding period tend to be largely repeated and represent a base on which to grow revenues over the following periods; and

(ii) **High Scalability** – many of the costs incurred in conducting the business are fixed. Praemium's IT utilisation rate is only approximately 15% and there are few variable costs associated with incremental growth in revenues.

Competitive Advantage

Praemium is not aware of any direct equivalent to PAS in Australia. Whilst there are a number of competitive offerings in some of PAS' market segments, in so far as Praemium is aware none of these offerings have the comprehensive functionality and practicality of PAS for administering large numbers of investment portfolios.

Barriers to Entry

The time, cost and complexity of developing comprehensive portfolio administration systems, the competitive price of the PAS and the early adoption of PAS by a number of major financial services organisations, all present barriers to entry for potential new competitors to the PAS.

SMA – EMERGING MARKET WITH EXCITING POTENTIAL

MLIM launched its first separately managed account (SMA) offering underpinned by Praemium's technology as recently as November 2005. Whilst the SMA investment structure is relatively new to Australia, Praemium believes that it has a number of compelling advantages over traditional managed funds structures and that the potential Australian market is large. In the USA, SMA's are well established and Merrill Lynch is the most successful provider with in the order of US$250 Billion under management. Through its relationship agreement with MLIM, Praemium believes that it is well positioned to play a leading role in the anticipated growth of SMA's in Australia.

UK. EXPANSION

Following over 12 months of research and preparation, Praemium believes that a significant and immediate opportunity exists for expanding its PAS and SMA businesses into the UK market. The structure and drivers of the UK investment market appears to be evolving in a similar way to that experienced in Australia over the past few years. Praemium believes that it has the opportunity to benefit from its experience, reputation and early success in the Australian market, by similarly entering and penetrating the UK market. Praemium will spend in the order of $10 million on its UK expansion plan. Customising its PAS and SMA and establishing its UK infrastructure will take Praemium 6-8 months and it does not expect to earn revenue in the UK for at least 12 months following its ASX listing. Success in the UK cannot be in any way guaranteed. Praemium has however, conducted in excess of 50 presentations to leading UK financial services organisations, a number of which have expressed interest in using either PAS or SMA (or both), once available in the UK market.

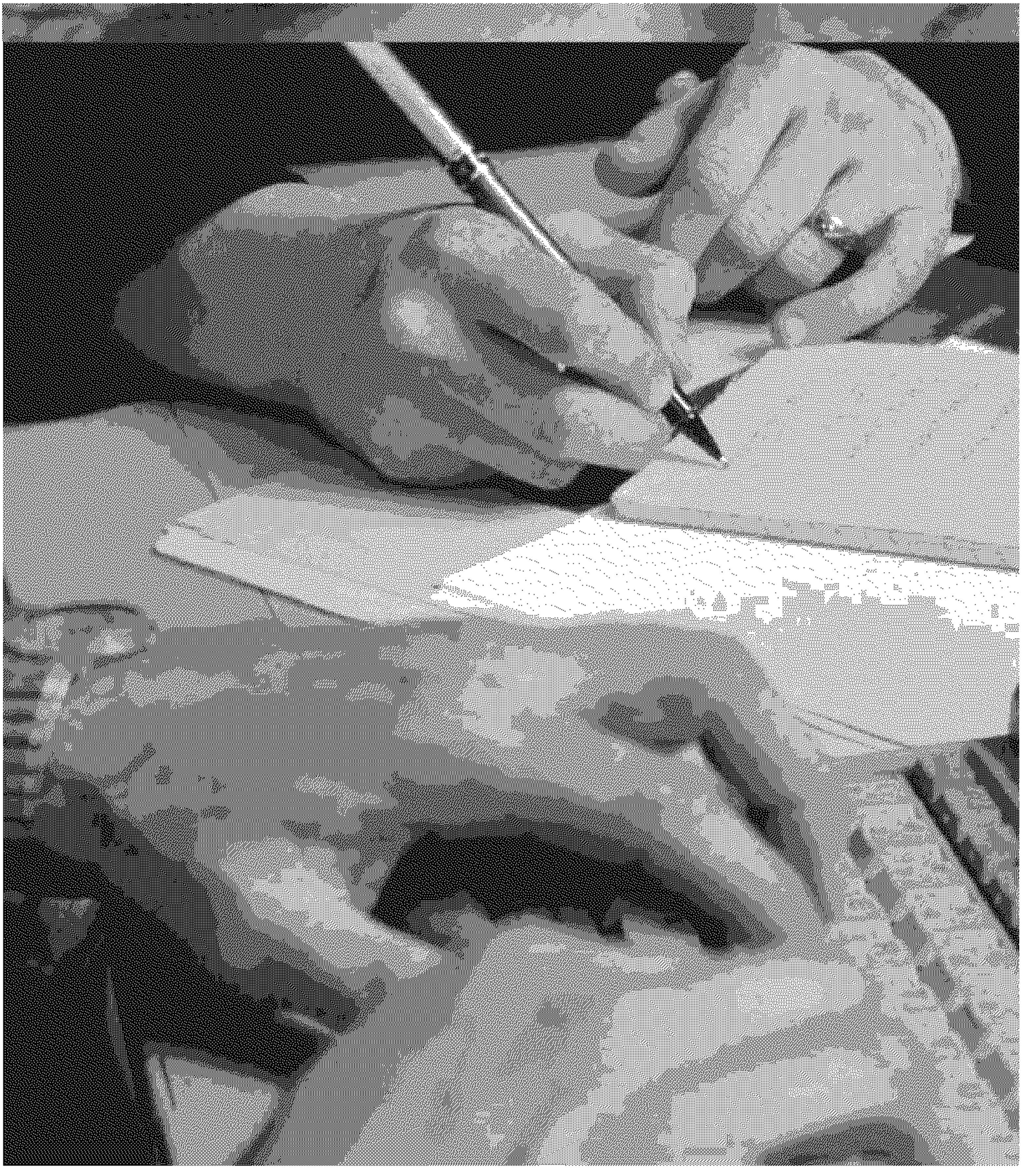
Board & Management

The Board and Management of Praemium provide a complementary balance of strong IT skills, sales and marketing experience and national and international investment markets expertise.

Pricing

The Offer (excluding the Employee Offer) is fully underwritten and will raise $18 Million with Praemium having a market capitalisation, at the Offer price, of $51,816,000.

section 2. details of the offer



section 2. details of the offer

2.1 THE OFFER

This Offer is fully underwritten and will raise $18 Million, which is both the minimum and maximum subscription under this Prospectus.

Under the Offer a total of 45 Million new Shares are being Offered to the public for subscription at an Issue Price of $0.40 each, payable in full on subscription.

2.2 STRUCTURE OF THE OFFER

Following the allotment of Shares after completion of the Offer, the shareholding structure in Praemium will be as shown in the table below.

In addition, 2,700,000 Options will be granted to Board members (excluding the Managing Director), officers of Praemium and senior Praemium staff prior to the Closing Date. The Options will be issued in three series and may only be exercised after the applicable vesting date and prior to the applicable expiry date as long as Praemium's Share price has exceeded the exercise price for at least 2 weeks prior to the exercise. A summary of the Option terms is set out in Section 10.9.7.

The options that will be granted have been granted in the following ratio:

Board Members	**59%**
Senior Employees	**41%**

The total amount which Praemium will raise if all of the granted Options are exercised is $1,710,000. That amount has NOT been taken into consideration by Praemium in any of its budgeting.

2.3 PURPOSE OF THE OFFER & PROPOSED USE OF FUNDS

The purpose of the capital raising is to:

- provide funding for Praemium's expansion into the UK;
- fund an expanded sales and marketing program in Australia;
- provide working capital; and
- pay the cash expenses of the Offer.

The cash expenses of the Offer include the Underwriter's fees, legal advisors' fees, Independent Accountant's fees, ASIC and ASX fees, printing and distribution costs and other costs arising from this Prospectus and the Offer (see Section 10.12 below). These expenses were incurred prior to, or will be incurred as a consequence of, the lodgement of this Prospectus and the application for admission to ASX.

Category	Number of Ordinary Shares	% Ownership Interest
Shares offered under this Prospectus as new shares*	45,000,000	34.74%
Shares to be issued to the Underwriter	2,000,000	1.54%
Other Existing Shares	82,540,000	63.72%
Total number of Shares* on issue after the Offer	129,540,000	100%
Market capitalisation calculated by reference to the Offer Price*	$51,816,000	100%

* excluding up to 1,660,000 shares which may be issued under the Employee Share Offer (See Section 2.12)

The final use of funds forming part of working capital will depend entirely on the future performance of Praemium and the various opportunities that arise. The Directors believe that Praemium will have sufficient working capital from the proceeds of the Offer, its operations and existing cash resources, to fund its stated business objectives.

The Offer (excluding the Employee Share Offer) will raise a total of $18 million. The funds raised under this Offer from the issue of Shares are budgeted to be used as follows:

Use of funds by Praemium	$A
Expanded sales and marketing in Australia	2,000,000
• appoint additional personnel in business development and sales support roles, establish offices in Sydney, Brisbane & Perth ($1,000,000)	
• Augment marketing with additional advertising and marketing materials and campaigns ($1,000,000)	
Expansion into UK, including:	10,000,000
• Acquisition, analysis and cleansing of corporate action data (£250,000),	
• Customisation of software for UK use (£500,000),	
• Set up local office premises and infrastructure, accounting, audit and legal infrastructure(£1,200,000);	
• UK IT, computing facilities and Disaster Recovery Planning, and IT consulting support (£460,000) and	
• General marketing, including business development, industry education and establishment of sales force (£1,333,333)	
• Travel & Accommodation (£100,000)	
• Contingencies (£306,045)	
£4,149,378 @ assumed exchange rate (as at 6 April 2006) £1 = AUD2.41 is $10,000,000	
Working Capital	4,760,000
Cash expenses of the Offer	1,240,000
Total Funds	18,000,000

2.4 APPLICATION FOR SHARES

Applications for shares under the Offer can only be made on the relevant Application Form attached to this Prospectus (or completed online). Instructions as to how to make an Application are printed on the reverse side of the Application Form. The Application Forms attached to this Prospectus must not be circulated unless attached to a copy of this Prospectus.

The minimum application is for 5000 shares, representing $2000. Additional Shares may be applied for in multiples of 500 Shares, representing $200.

Applications for Shares must be accompanied by payment in full by cheque or bank draft in Australian dollars, drawn on an Australian branch of an Australian bank in the amount of $0.40 for each Share. Cheques should be made payable to "Praemium Limited Share Offer" and crossed "not negotiable".

Subject to the rights of Praemium, in consultation with the Underwriter, to close the Offer prior to the expected Closing Date set out on the inside front cover, completed Applications must be received at either of the following addresses no later than 5pm (AEST) on the Closing Date:

The Share Registry
Praemium Limited Share Offer
C/ Link Market Services Limited
Level 4, 333 Collins St
Melbourne VIC 3000

The Underwriter
Praemium Limited Share Offer
C/ Lodge Corporate Services Pty Ltd
Level 5, 60 Collins St
Melbourne VIC 3000

Section 2.12 sets out the manner in which Employees may apply for Shares under the Employee Share Offer.

2.5 APPLICATION MONIES

Application monies received from an Applicant for Shares under the Offer will, until those Shares are allotted or the Application monies are refunded to the Applicants, be held on trust for Applicants in a bank account established and kept by Praemium for the purpose of depositing application monies. Application monies will be kept in escrow and will not be transferred from this bank account to Praemium until the Shares have been allotted to successful applicants. Interest earned on application monies will be for the benefit of Praemium and will be retained by Praemium whether or not an allotment takes place.

2.6 ALLOCATION POLICY

An application may be accepted by Praemium, in consultation with the Underwriter, with respect to the full number of Shares specified in the Application Form or any of them, without further notice to the Applicant. Praemium will allocate approximately 11,500,000 Shares in priority to Applicants who are clients of Praemium or who are nominated by clients or directors and who lodge their Applications online using Praemium's technology before Close of business on the second day after the Offer opens. After that time no priorities will apply. Praemium and the Underwriter are entitled to nominate the allottees of Shares. Where no allotment is made or where the number of Shares allotted is less than the number applied for, the entire funds (in the first case), and the surplus application funds (in the second case) will be refunded to unsuccessful Applicants without interest.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. Praemium's decision as to whether to treat an Application as valid, and how to construe, amend or complete it will be final. Praemium's decision on the number of Shares to be allocated to an Applicant will also be final.

2.7 ALLOTMENT

Allotment of the Shares will only be made once application monies have been received and the Company's application for admission to the Official List and Quotation of its shares by ASX has been granted on terms reasonably acceptable to the Company. This is reasonably expected to be 3 days after the Closing Date.

2.8 UNDERWRITING SUMMARY

The Offer has been fully underwritten by Lodge Corporate Services Pty Ltd, Authorised Representative Number 277164 of Lodge Partners Pty Ltd, AFSL Number 246271. Details of the Underwriting Agreement, including the Underwriter's fees and the circumstances under which the Underwriter is able to terminate its obligations, are set out in Section 9.8.

2.9 DETAIL OF THE APPLICATION FOR ASX LISTING

Praemium will apply to the ASX not later than seven (7) days after the date of this Prospectus for admission to the official list of the ASX and for the Quotation of the Shares Offered under this Prospectus.

The ASX takes no responsibility for the contents of this Prospectus or the investment to which it relates. Admission to the official list of the ASX and Quotation should not be taken as an endorsement by the ASX of Praemium.

If Praemium does not make an application for admission to the Official List of the ASX and for Quotation within seven (7) days after the date of this Prospectus, or if Praemium is not admitted and the Shares quoted within three (3) months after the date of this Prospectus (or any longer period permitted by law), the Offer will be cancelled and all application monies will be refunded (without interest).

2.10 CHESS & ISSUER SPONSORED HOLDINGS

Praemium will apply to participate in the Clearing House Electronic SubRegister System, known as "CHESS", in accordance with ASX Listing Rules and the Settlement Rules.

In addition to a CHESS subregister, Praemium will operate an electronic issuer sponsored sub-register. The two subregisters will make up the register of Members.

No share certificates will be issued to successful Applicants. Following allotment, Applicants on the issuer-sponsored subregister will be issued a transaction confirmation statement that sets out the number of shares allotted and the Security Holder Reference Number (SRN) allocated. Successful Applicants on the CHESS subregister will be issued a transaction confirmation statement stating their security Holder Identification Number (HIN) and number of Shares allotted.

Holding statements will be issued at the end of each subsequent month to any holders where a transaction has been applied to their holding during the month. End-of-month statements are issued to CHESS holders by the SCH and to the issuer-sponsored holders by the Share registry of Praemium.

2.11 DIVIDEND POLICY

The Company is currently in a growth and investment phase and is not expecting to pay dividends in the near future. The declaration of a dividend, if any, for any future period, and the extent to which franking credits may be attached to such dividends, will be the subject of a number of factors, including: the financial results of Praemium, the general business environment, ongoing capital expenditure, future cash requirements, the taxation position of Praemium and a range of other factors that the Board may consider at that time to be relevant.

2.12 THE EMPLOYEE SHARE OFFER

Praemium has established the Praemium Employee & Directors Benefits Plan (the "Plan") to assist in retention and motivation of Directors and employees. Under the Plan and this Prospectus Praemium is Offering 1,660,000 Shares to its employees, key contractors and Directors at $0.38 per Share (the "Employee Application Price"), being a 5% discount to the price at which others can subscribe for Shares pursuant to this Prospectus (the "Employee Share Offer").

In addition, under the Plan, Praemium will issue Options to Directors and Employees prior to the Closing Date.

The Employee Share Offer is subject to the terms of the Plan (which are described in Section 10.5). If Employees do not apply for these Employee Shares in full, the remaining Shares available under the Employee Share Offer will not be available under the Offer.

The Employee Share Offer is an additional Offering to the Offer Shares, and the Offer of the Employee Shares is not underwritten.

Applications under the Employee Share Offer will only be accepted on the Employee Application Form. Employees may apply for Employee Shares in their own name or in the name of a relation or related company. The Employee Application Form must be completed in accordance with the instructions set out on the form.

Praemium reserves the right to allocate to any Employee Applicant a lesser number of Employee Shares than applied for. If the total number of Employee Shares applied for under the Employee Share Offer is greater than the number of Employee Shares available, scale-back arrangements will apply. The method of scale-back will be determined by the Board, in its absolute discretion. If an Application under the Employee Share Offer is not accepted, or is accepted in part only, the excess application monies will be refunded without interest. Completed Employee Application Forms must be mailed or delivered to the Company Secretary, Cathryn Nolan, at the Company's registered office, and must be accompanied by a cheque or cheques equal to the number of Shares applied for by the Employee Applicant at the Employee Application Price. All cheques must be in Australian dollars and drawn on an Australian branch of an Australian bank. Cheques from Employee Applicants under the Employee Share Offer must be made payable to "Praemium Limited Employee Share Offer" and crossed "Not Negotiable". Applications under the Employee Share Offer must be for a minimum of 5000 Employee Shares (representing $1900) and in multiples of 500 Employee Shares thereafter (representing $190).

The funds raised under the Employee Share Offer will be applied towards working capital. There will be no restrictions placed on the disposal of Shares acquired under the Employee Share Offer.

Employee Applicants should review Section 8.4 which discusses the taxation implications of accepting the Employee Share Offer. The Employee Share Offer is conditional upon the successful completion of the Offer in accordance with the terms set out in this Prospectus. The key dates for the Employee Share Offer are the same as for the Offer (see the inside front cover of this Prospectus). Please note that all dates are indicative only and Praemium may, without notice, change such dates at its discretion. Except as set out above in this Section 2.12, the terms set out in the remaining parts of Section 2 that apply to the Offer will also apply to the Employee Share Offer. Assuming the Employee Share Offer is fully subscribed Praemium's cash balance will increase by $630,800.

2.13 TAXATION

Generally, the Australian taxation consequences of any investment in shares will depend on the investor's particular circumstances. It is an obligation of potential investors to make their own inquiries concerning the taxation consequence of an investment in Praemium. If you are in doubt as to the course that you should follow, you should consult your financial advisor, financial planner, stockbroker, accountant, lawyer or other professional advisor without delay.

General information about the taxation consequences of an investment in Praemium are set out in Section 8. Employee Applicants should carefully read Section 8.4 to determine the taxation ramifications of acceptance of the Employee Share Offer.

2.14 RESTRICTED SECURITIES (ESCROW)

Certain Shares will be subject to voluntary escrow restrictions. Specifically:

- Kathy & Arthur Naoumidis (as trustee of the Naoumidis Trust) have agreed not to dispose of 50% of the 27,367,497* Shares they will hold at Quotation for 1 year following Quotation and not to dispose of the balance of the shares they hold for 2 years following Quotation;
- The remaining Directors and their associates will agreed that they will not dispose of 50% of the 8,225,001* Shares they will hold at Quotation for 6 months following Quotation and that the balance will be subject to restrictions on disposal for a total of 12 months following Quotation;
- 50% of the 2,000,000 Shares held by the Underwriter (or its nominees) will be subject to restrictions on disposal for 6 months following Quotation and the remaining for a total of 12 months following Quotation;
- 33.3% of 42,170,002 Shares at Quotation held by remaining Existing Shareholders are not voluntarily restricted in any way, 33.3% will be subject to restrictions on disposal for the first 6 months after Quotation and the remaining 33.3% are subject to restrictions on disposal for 12 months following Quotation;
- None of the 4,487,500 Shares to be purchased prior to Quotation pursuant to the transaction outlined on page 55 are voluntarily restricted in any way; and
- The Company has previously issued a total of 340,000 Shares to Employees under the Plan on terms that restrict the Employees from trading those shares for a period of 12 months following Quotation. 50,000 of these Shares are held by Christine Silcox and also included in the reference to restrictions on Shares held by Directors.

In addition, the ASX is likely to impose escrow restrictions of up to two (2) years from Quotation under the ASX Listing Rules on the Shares held by some or all of the Existing Shareholders. These restrictions are likely to be announced to the market as part of pre-quotation disclosure provided the ASX admits the Company to the Official List.

*K&A Naoumidis and Tayco Investments Pty Ltd have agreed to transfer Shares to third parties after the Closing Date and prior to Quotation. If ASX imposes any escrow restrictions in respect to these Shares the purchasers of them will be obliged to enter into restriction agreements in respect of these holdings. See page 55 for further details.

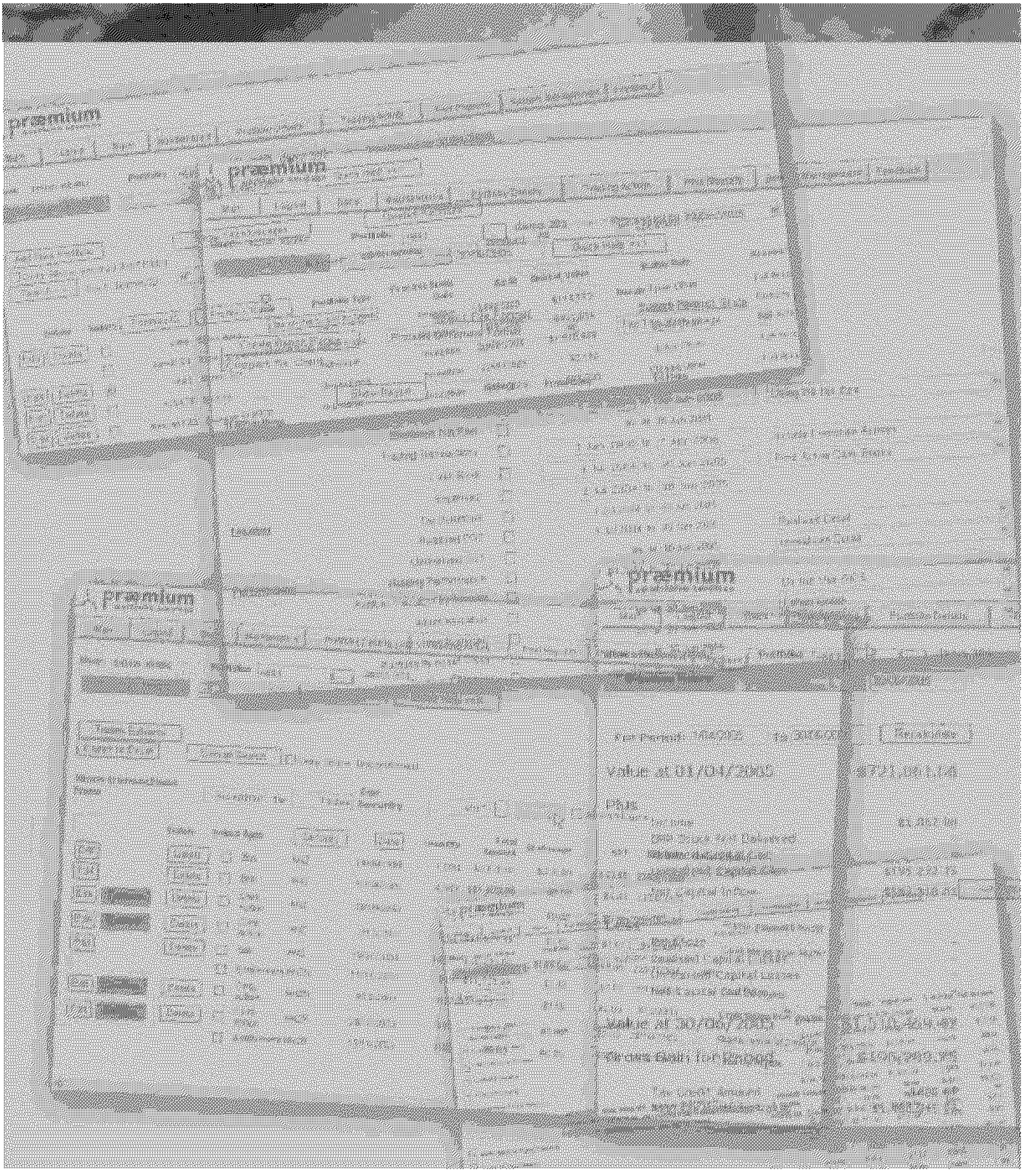
2.15 INVESTOR ENQUIRIES

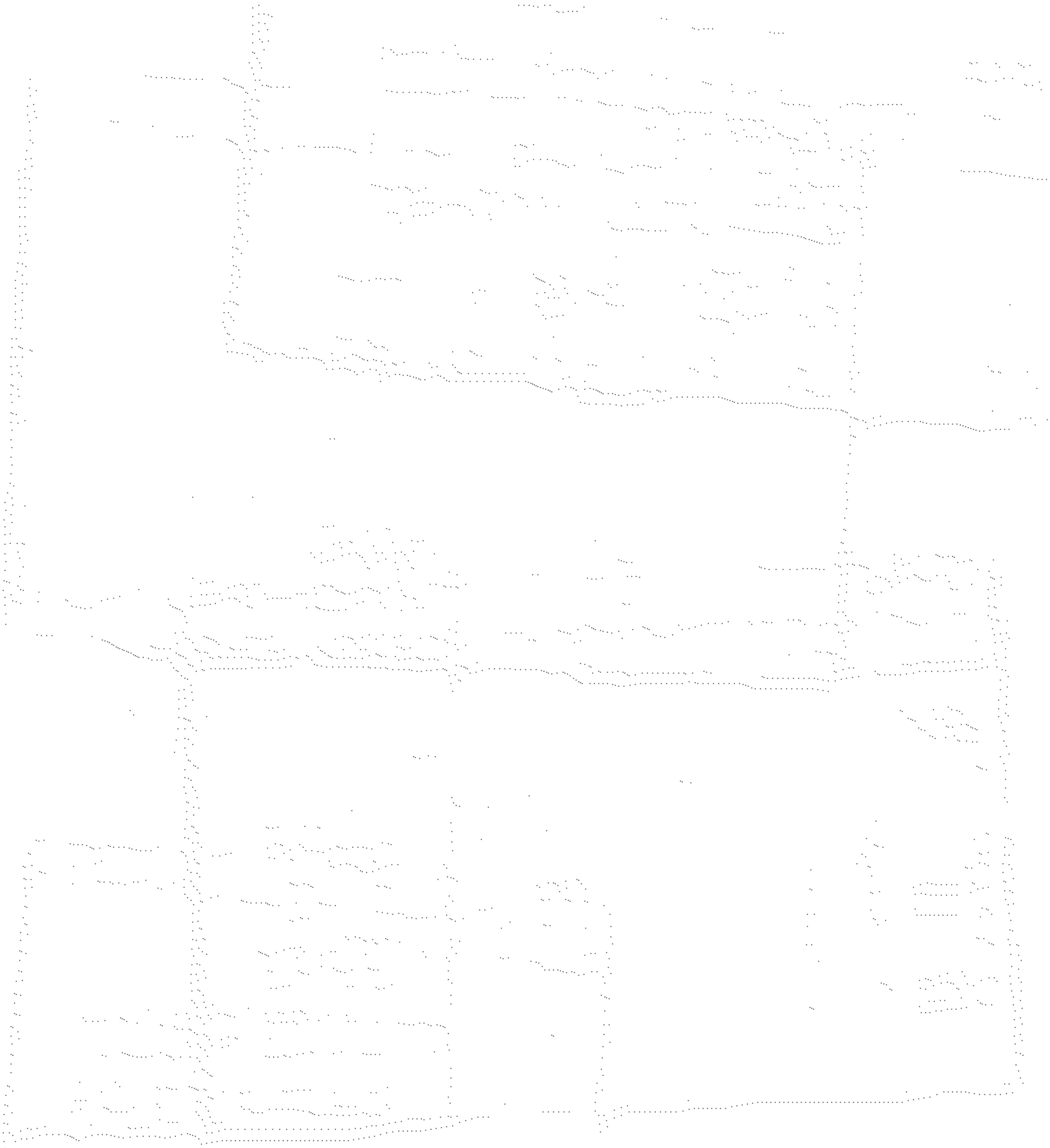
An investment in Praemium is subject to both general and specific risks including those outlined in Section 7. If, after reading this Prospectus, you do not fully understand it or the rights attaching to the Shares offered by it, you should consult your financial advisor, financial planner, accountant, lawyer or other professional advisor for assistance.

Further information and additional copies of this Prospectus can be obtained online at **www.praemium.biz** or **www.lodgepartners.com.au** or by contacting:

The Underwriter
Lodge Corporate Services Pty Ltd
Level 5, 60 Collins Street
MELBOURNE VICTORIA 3000
Tel: (03) 9200 7000 Fax: (03) 9200 7077

section 3. overview of Praemium & its industry





section 3. overview of Praemium & its industry

3.1 BACKGROUND

Praemium was formed in October 2001 by Arthur Naoumidis (Praemium's MD). Utilising his extensive international IT background, coupled with his experience in building, operating and marketing portfolio administration services at JB Were and BNP Paribas, Arthur identified the need for a technologically advanced portfolio administration service to effectively administer the increasing trend in financial markets towards widespread participation in direct equity investments. Praemium was formed to take advantage of that opportunity.

Following 10 months of developing its portfolio administration system and establishing and testing its business and IT infrastructure, Praemium launched its flagship proprietary on-line Portfolio Administration Service ("**PAS**") in August 2002. Praemium's initial clients were primarily direct investors utilising PAS to administer their own investment portfolios. However, it quickly became apparent that a much more significant opportunity lay with Praemium's growing numbers of professional advisor clientele, who needed better tools to administer and report on a multitude of equity portfolios across their own client base. Accordingly, Praemium ceased marketing to direct investors and focused its business and ongoing development on the needs of accounting, financial planning and stockbroking firms.

The first two full years of operations (2003 – 2004) saw Praemium start to consolidate a core client base, but it was in 2005 that Praemium started to make serious inroads into the market. In that year there was an explosive growth in the value of assets administered using Praemium's PAS: from approximately \$2.9 billion at the end of November 2004 to \$8.5 Billion by end of November 2005. By the end of February 2006 the value of funds administered in PAS had further increased to in the order of \$10.4 billion across approximately 13,000 portfolios. Today, Praemium's client base includes a number of Australia's largest providers of financial services.

The recent rapid growth in the number and range of clients using Praemium's services, and the value of the assets administered using PAS, have established Praemium's credentials and are expected to facilitate a continuation, if not acceleration, of growth. Part of the funds raised by this Offer will be utilised to expand Praemium's sales and marketing capability to further enhance its ability to take advantage of its growing success in the Australian market.

Praemium has also developed leading proprietary technology for the operation and administration of the Separately Managed Account (SMA) investment structure. Established in the US investment markets since the 1970's, SMAs offer a number of cost and tax advantages over other managed fund structures and represent a very large potential new market for Praemium. Praemium has entered into an initial period of exclusivity with Merrill Lynch Investment Managers (MLIM) (which is currently a wholly owned subsidiary of Merrill Lynch) to provide the technology underpinning their SMA product offering, which was launched in November 2005. Already, a number of leading financial planning groups have signed Letters of Intent to utilise MLIM's SMA and some smaller organisations are currently using the service. In the US, SMA's have outgrown managed funds by 47% over the past 2 years, and Merrill Lynch is the largest provider. Praemium believes that the decision by MLIM to partner with Praemium in the Australian market is an endorsement of Praemium's technology and of Praemium's view of the exciting potential for SMA's here in Australia.

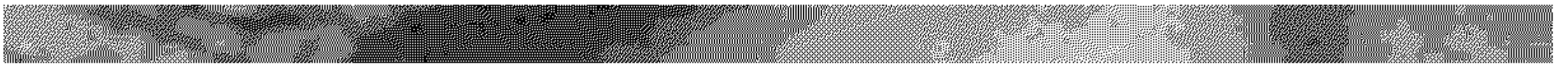
Praemium believes that the UK financial services market is demonstrating similar trends towards its investment markets as those experienced in the Australian market in recent years. Accordingly, Praemium has decided to develop and expand its business into the UK where the scale of the financial markets, and the corresponding opportunity, is even greater than it is in Australia. Praemium has undertaken 12 months of detailed investigation and preparation in relation to the development and deployment of its services in the UK. As at the date of this Prospectus, Praemium has no contracts to provide services in the UK, however, it has conducted in excess of 50 presentations to leading UK financial services organisations, a number of which have expressed interest in using either PAS or SMA (or both), once they have been launched in the UK market.

Of the funds raised by this Offer, \$10 Million has been budgeted to be spent customising Praemium's services for the UK, establishing its local UK infrastructure and launching its services in the UK market.

3.2 FINANCIAL SERVICES INDUSTRY AND THE DEMAND DRIVERS FOR PRAEMIUM'S SERVICES

3.2.1. Praemium's Portfolio Administration Service – the PAS

The Australian investment market has become very large by world standards and is forecast to continue growing well ahead of GDP. The last decade in particular has seen a dramatic growth in share ownership in Australia, which now has over 50% of the population owning shares, either directly or through managed investments.



A diverse group of influences underpin the large scale and rapid growth of investment assets in Australia. These include:

- Australia's retirement arrangements, which include compulsory contributions to and favoured tax treatment of, superannuation;
- ownership of shares becoming increasingly widespread, boosted by the many privatisations and de-mutualisations of the past 2 decades;
- the system of dividend imputation introduced in 1985 which has enhanced the appeal of shares as an asset class;
- rising levels of incomes and wealth;
- widening choices in investment products; and
- a growth in willingness to use borrowed funds to support a part of investment portfolios.

The growth in direct equity ownership in Australia has been coupled with a shift from commission to fee based remuneration for advisors, who are therefore increasingly in need of portfolio services solutions that enable them to provide enhanced services to their own clients in a cost efficient and competitive manner. These factors have been key drivers for the emergence of Praemium's PAS solution.

The administration associated with owning shares is increasingly complex and time consuming. Investors generally rely on their financial advisors and administrators (e.g. financial planners, accountants, stockbrokers) to assist them in their investment holdings by providing, amongst other things, information and reporting on the structure of investment portfolios, investment choices available, transactions undertaken, portfolio performance and taxation consequences of their investments. This is particularly the case where investors undertake their investments directly, either themselves or through their own Self-Managed Super Funds ("SMSF"). The growth of the SMSF market has been a particular catalyst for the development of PAS. There are now more than 300,000 SMSF's in Australia, with assets of in excess of $165 billion.

3.2.2. Separately Managed Accounts – SMA and Praemium's Technology

Whereas the principal markets for the PAS solution are in the direct investment sector, the focus of the SMA is in the managed investment sector.

What we today call the 'managed investment market' began in Australia more than twenty years ago with the introduction of unit trusts – which were in effect the first generation retail managed funds.

Unit trusts provided the first opportunity for Australian retail investors to access diversification, with professional funds management and administration services that were previously only available only to the wealthiest of investors (known as "wholesale" investors). These advantages were available as a consequence of the efficiencies obtained by pooling investors' funds and consequentially the cost structures associated with them.

Even though retail managed funds proved very successful, it became apparent that they also created difficult administration issues where clients invested in multiple funds. In these circumstances the investors or their advisors were required to manually collate information from a multitude of sources in order to effectively administer their investments and prepare their tax returns, which was both tedious and time consuming.

Over time, administration structures were created (again, structured as trusts) which allowed investors to select from a menu of available managed funds. These were the first generations of "Master Trusts".

In order to keep the costs associated with investing in Master Trusts broadly in line with the costs of investing in retail managed funds, Master Trusts tended to invest in wholesale funds with lower costs (management expense ratios – MER's) than their retail counterparts. By using this structure, investors and their advisors effectively solved the administration issues associated with investing in multiple funds for no net fee increase.

Master Trusts did, however, continue to have one key drawback – namely, the investor's asset was a unit in a Master Trust, rather than units in the underlying fund. This restricted the investor to the choices of only those investments 'on the menu', that is, the investor could only invest in a particular managed fund if it appeared on the list of managed funds available under a particular Master Trust.

A further drawback was the Capital Gains Tax ("CGT") inefficiency that resulted for those investors who wished to move from one Master Trust to another (which they might want to do in order to access a managed fund that was not offered by their previous Master Trust, or to follow an advisor who no longer supported that Master Trust). To switch, an investor was required to sell their units in their existing Master Trust (thereby giving rise to a CGT event), to then invest in the units of their preferred Master Trust.

The evolution of the Wrap appeared to address these issues. In summary, a Wrap is a pooled custodial structure under which the investor retains beneficial ownership of the underlying wholesale managed funds. Wraps have grown to dominate the managed investment administration market in Australia as a consequence of their efficiency in terms of cost, tax and time.

Ongoing cost pressure, an increased focus on after-tax returns and investor demand for 'see-through' managed investment structures have led to the development of the SMA – which Praemium believes may be the successor to the Wrap. An SMA is very similar to a Wrap in that both are pooled custodial structures which allow investments as beneficial owners into managed investments. The key difference is that under the SMA, rather than having a beneficial ownership in the units issued by a managed fund, the investor has direct beneficial ownership of the actual shares held by the managed fund. This eliminates the layer of custody that is inherent in traditional managed fund structures accessed via a Wrap.

SMAs are both cheaper (because a layer of custody and associated cost has been eliminated from the structure) and more tax efficient (because beneficial ownership of the underlying shares is held by the investor) than alternative managed investment structures.

Further, unlike a holding in traditional managed investment structures, SMAs also allow the investor the opportunity to customise their portfolio uniquely, enabling the investor to hold or avoid certain stocks as they wish. Additionally, the "see-through" ownership is expected to attract Self Managed Super Funds which have, to date, shown a preference for direct ownership of shares rather than ownership of units in a trust or a percentage of a managed fund.

3.3 OVERVIEW OF PRAEMIUM'S BUSINESS

3.3.1. Introduction

Praemium has developed two key services that it markets to the financial services industry, specifically:

- its proprietary **online portfolio administration service (the "PAS")**, which it licenses to accountants, stockbrokers, financial planners and superannuation administrators to use as a tool for administrating their own clients' investment portfolios; and
- its proprietary technology which underpins the delivery of a **separately managed account (SMA) service**, which is currently used in Australia exclusively by Merrill Lynch Investment Managers Limited in the provision of its SMA products which may be offered both under the MLIM brand and the brands of other appropriately licensed financial planners, brokers and institutions (or 'model providers') under White Labelling arrangements.

3.3.2. Praemium's Portfolio Administration Services Business

(a) What does the PAS do?

Praemium's PAS is an on-line portfolio administration service that utilises proprietary technology and enables financial services organisations to efficiently administer investment portfolios for their superannuation, corporate or personal investor clients. A fully web-delivered service, PAS allows White Labelling by individual advisor organisations, allowing them to brand and deliver the service to their own clients over the internet. The PAS provides a technological overlay that combines investment administration with tax and portfolio performance data, featuring highly automated on-line processing.

For stockbroking firms, financial planners, accounting firms and others involved in the management and administration of large numbers of portfolios, the PAS offers a range of features that improve practice management. These features considerably reduce the time it takes to create and process reports, resulting in advisors who use PAS having more time to provide valuable investment and taxation advice to their ultimate clients. The PAS is designed to deliver professional advisors and administrators a competitive advantage in their own markets.

Examples of some of the features of PAS include:

- Provides access to portfolios over the Internet;
- Comprehensive investment portfolio reporting including valuation, asset allocation, performance, income and transaction reporting;
- Identification and reporting of the impact of corporate actions such as share splits or consolidations, demergers, dividend issues, dividend reinvestments, franking credits, rights issues and placements and tax break downs for income reporting in relation to the investor's holdings;
- Reconstruction capabilities to enable the rapid reconstruction of client portfolios from raw transactional data;
- Automated systems for the processing of broker contract notes;
- Advanced Capital Gains Tax (CGT) processing including optimisation – after investors sell part of their holding in a specific security, their advisors can use the PAS to calculate which parcel of shares to treat as having been sold in order to ensure accurate and optimised capital gains tax calculation and reporting;

- Ability to record, store and update information in relation to all forms of financial products and non-financial products (for example, real property, artworks) which make up an investment portfolio;
- "What If" features which calculate the CGT consequence of proposed disposals; and
- Integration with stock broking, accounting and financial planning systems.

(b) The User Benefits of PAS

Praemium's PAS delivers a number of compelling and differing benefits to each category to which the service is marketed. For example:

- **Accountants / Tax advisors** – CGT optimisation, corporate action and portfolio reconstruction components enable the accountant to save many hours of otherwise manual work, resulting in a superior service to the accountant's clients at a lower cost.
- **Financial Planners & Stockbrokers** – The wholistic approach to singularly reporting a whole range of portfolio assets including cash, cash equivalents, ASX listed securities, managed funds and even non-financial products (e.g. art) enhances services available to their clients and saves substantial time and cost.
- **Wrap Platform Providers** – Whilst Wrap platforms have historically evolved to administer managed funds investments, many are considering the business and administration consequences of the current increase in participation by investors in direct equities. PAS's sophisticated direct equity capabilities can be attractive to Wrap platforms which seek an alternative direct equity solution to sit along side their managed fund Wraps. For example, Asgard Capital Management Limited (Asgard), a market-leading Wrap provider, is already deploying PAS to a number of its dealer groups.

(c) Sales and Marketing

Praemium markets the PAS as a 'virtual wrap' to financial planners and as 'the accountants wrap' to accountants and tax advisors. In other words, it is substantially similar to a Wrap in the sense that it is a service that offers the administration, reporting and tax efficiencies of a traditional Wrap, but different because it does so without the requirement or cost of custodial services. The PAS is designed to allow advisors to record, consolidate and report on investment portfolios for their clients, whether those investments are in managed funds or direct investments and irrespective of the number or types of investment within those portfolios. Praemium's PAS allows Praemium's client organisations to run their own investment administration operations under their own brand.

Praemium markets the PAS to accountants, financial planners, stockbrokers, Wrap providers and superannuation administrators either directly or through third party distributors.

As Praemium has grown its market presence, particularly over the last 12 months, referral and reputation has proven to be an important sales source. In short, participants in the financial services industry typically stay informed as to the administration tools available and used by competitors to enhance customer service, reduce costs and gain advantage in their highly competitive industry. Utilisation of PAS by some of Australia's largest financial services providers, together with widespread satisfaction amongst PAS users, has become Praemium's most powerful sales tool.

Praemium has budgeted to spend up to $2 Million over the next 2 years in initiatives intended to further leverage from Praemium's increased presence and growing reputation in the Australian market and accelerate and support the anticipated growth in operations. Praemium plans to:

- establish offices in Sydney, Brisbane and Perth;
- recruit additional personnel in business development or sales support roles; and
- augment its marketing with additional advertising and enhanced marketing materials and initiatives.

(d) Success to Date

The PAS has been operational since August 2002.

With application of only modest marketing resources and a limited marketing budget, Praemium has already started to enjoy considerable success in marketing of PAS to each of its target markets. In the 12 months from the end of November 2004 the value of investments administered using PAS grew substantially from approximately $2.9 billion to $8.5 billion. As at the end of February 2006 there were more than 220 firms using the service to administer approximately $10.4 billion of assets across approximately 13,000 investment portfolios.

The appeal and market acceptance of PAS can be seen in the breadth and diversity of its client base. Users of PAS include boutique financial planning and accounting firms each administering less than 100 investment portfolios, to some of Australia's largest financial services providers, each managing or advising on many thousands (in some cases tens of thousands) of investment portfolios, of which a growing number are administered using PAS. Service providers currently using PAS include:

Accountants

- Allworths Chartered Accountants
- Drew Robinson
- Mackenzie Coultas
- Moore Stephens
- Nexia Court & Co
- Shearer & Elliss Financial Strategies

Financial Planners
- Australian Financial Services
- Bentleys MRI – Accountants/Planners
- Cutcher & Neale Investment Services – Accountants/Planners
- Gilham Financial Management
- Kingston Capital
- PKF – Accountants/Planners
- Pool & Partners – Accountants/Financial Planner
- Sheridans – Accountants/Planners
- Strategem Financial Group – Accountants/Planners
- Ward Financial Group

Superannuation Administrators
- Australian Superannuation Consultants
- Just Super
- Professionals Choice Portfolio Manager
- Super Guardian

Portfolio Administrators
- My PA Services

Fund Managers / Wealth Managers
- Collins House Financial Services
- Henry Financial Group – Wealth Managers/Planners
- Mutual Trust
- Providence Investment Partners – IMA Operators

Wrap Platforms
- Asgard Capital Management

Stockbrokers
- Burrells Stockbroking
- Camerons Stockbrokers
- Citigroup Wealth Advisors – Wealth Management/Stockbroking
- DJ Carmichael
- ETRADE Australia Ltd
- Joseph Palmer & Son
- Lewis Securities – Stockbroker/Fixed Interest Dealer
- Ord Minnett
- Shaw Stockbroking
- Taylor Collison
- Tolhurst Noall Group – Wealth Managers/Stockbrokers
- Tricom Equities

(e) PAS – Recurring Revenues / Scalable Business

Praemium licences the PAS to the professional financial services organisations (the "PAS Licensees") on a per portfolio basis.

Praemium charges the PAS Licensee a flat dollar amount for each portfolio being administered by them using PAS. Currently, the standard charge is $220 per portfolio per year (GST inclusive) with most licensees being charged a minimum annual fee of $5,500. In return for committing to the minimum annual fee, the PAS can be delivered to a PAS Licensees' client base via a link from their own website with their own branding of the service.

Two key features evidence the attractiveness of Praemium's business model for its PAS, namely:

- **Largely Recurring Revenues** – Whilst Praemium has only a relatively short operating history, it appears that once a portfolio has begun to be administered using PAS, there is a high probability of that portfolio continuing to be administered using PAS in the next year and following. As Praemium earns revenues from PAS on a per portfolio per annum basis, revenues from a preceding period tend to be largely repeated and represent a base on which to grow revenues over the following periods.
- **Highly Scalable** – Praemium's PAS business is highly scalable, with most of the costs associated with conduct of the business being fixed (e.g. principally office accommodation, computer hardware and hosting costs and salaried employees). Beyond that budgeted for as outlined in this Prospectus, Praemium does not anticipate having to materially expand its Australian fixed cost base, even if its achieves a several-fold increase in portfolio numbers being administered under PAS in the Australian market. Currently, the key IT infrastructure supporting Praemium's system is running at utilisation rates in the order of only 15%. There are very few variable costs associated with additional revenue derived from further growth in the number of portfolios being administered in PAS.

(f) Growth Opportunities for PAS

Having established its industry presence and reputation, Praemium is positioned to take advantage of the many growth opportunities expected to present in the short and medium term. These opportunities include:

- **New Business/Increased Market Share** – Praemium is a relatively young company and has only just begun penetrating its markets. Currently Praemium provides PAS to:
  - In the order of 100 accounting firms,
  - In the order of 100 financial planning firms, and
  - 14 stockbroking firms.

  In Australia, the value of retail Funds Under Management (FUM) at the end of 2005 was approximately $400 billion. Of this, approximately $10.4 billion is currently being administered using PAS – approximately 2.5%.

  With a very small market penetration and a client base comprising some of Australia's leading financial service providers, the Directors believe that the PAS has significant growth potential by increasing this penetration rate through effective marketing and customer support.

[1] Not all accounting firms provide administration services to their client base.

- **Increased Usage by Existing Clients** – Whilst PAS is a very user-friendly service that requires only minimal training, some PAS Licensees tend to use PAS to administer only a small number of their portfolios in that early period, whilst they become familiar with the capabilities and operation of the system, and then add to the number of portfolios they administer using Praemium as they become more comfortable. Others upload most of their portfolios (or convert large numbers of portfolios) during the early phase and then add new portfolios as their businesses grow. A number of Praemium's largest PAS Licensees (in terms of their respective organisational size) have only recently commenced using the PAS and take-up of the PAS is only currently at early stages within these organisations. Praemium expects to experience significantly increased usage from a number of its current PAS Licensees in the coming periods, as they increasingly incorporate PAS into their business practices.
- **Industry Growth** – as outlined in Section 3.2.1, there are a number of factors leading to expected continued strong growth in the size of the Australian investment market. Assuming this growth occurs it should result in increasing numbers of investment portfolios which could potentially be administered using PAS.
- **New International Markets** – Praemium believes that it has an immediate opportunity to establish a successful business for PAS in the large United Kingdom market (refer Section 3.4) and continues to assess the possibility of entering the US and other large financial markets where PAS might have the potential to be successful.
- **Acquisition** – As Praemium continues to secure leading financial service providers as PAS Licensees and achieve scale across its operations, the opportunity may exist for Praemium to increase its presence in the industry through the acquisition of complementary or synergistic businesses. It has no immediate plans for undertaking acquisitions at this time.

(g) Competition

Praemium is not aware of any direct equivalents to its PAS in Australia. Whilst there are a number of competitive offerings to the PAS in some of its market segments, so far as Praemium is aware, none of these offerings have the comprehensive functionality of PAS for administering investment portfolios. For example:

- In the financial planning market there are some offerings, which are primarily financial planning systems, which also incorporate a portfolio management functionality. Praemium believes that a key difference between the PAS and the relevant competitive portfolio administration offerings is the complexity and sophistication of the architectural design of the PAS that addresses the requirements of Praemium's target market.
- Similarly, Wrap providers can be viewed as potential competitors to PAS if they build their own advanced direct equities capabilities. However, having regard to the cost, time and complexity of building such a system, Wraps may prove to be complementary to Praemium's PAS as they can provide pooled access to wholesale funds whilst the PAS administers the direct equities portion.

(h) Barriers to Entry

There are a number of barriers to entry that present to companies attempting to build and deploy services in competition with PAS, for example:

- **Complex Subject Matter** – The PAS service operates in a complex and multi-tiered functional and legislative arena covering capital gains tax, corporate action and general portfolio administration. Building the requisite system is costly and time consuming and requires highly specialised skills in IT and equities based portfolio services;
- **Price/Cost** – Praemium believes its PAS is priced at a level which makes it difficult for potential competitors to profitably enter the market and discourages them from undertaking costly investment of time and money developing their systems to match the functionality of PAS;
- **First-Mover Advantage** – Praemium already has major early adopters as clients. Praemium believes that as long as it continues to meet its clients needs and provide good customer service at a competitive cost, it should prove challenging for other organisations to attract these clients and achieve meaningful scale.

3.3.3. PRAEMIUM'S SMA BUSINESS

(a) Introduction

A Separately Managed Account (SMA) is a legal and technological managed investment structure and is an alternative to traditional managed funds. Rather than the investor owning units in a managed fund that in turn owns a portfolio of direct equities, an SMA allows the investor to invest via a pooled and managed investment structure whilst at the same time maintaining beneficial ownership in the underlying direct equities acquired. This provides the investor with substantial cost savings and tax efficiencies.

Utilising and extending the advanced direct equities and portfolio administration capabilities of its PAS, Praemium has developed world class technology that enables the operation and administration of SMA's.

Praemium has entered into an exclusive (in Australia) Relationship Agreement with Merrill Lynch Investment Managers which will use Praemium's technology for the operation and administration of its SMA product. This product has recently been released (November 2005) and is marketed as the "Merrill Lynch Customised Portfolio Service".

SMAs have been present in the US market for more than 25 years. Over the past few years, the US SMA market has expanded greatly. It has been recently reported that US SMAs currently manage over US$1.3 Trillion.

Praemium's technology advantage has enabled the MLIM SMA to be the first Australian SMA with full PAS functionality.

SMAs first appeared in Australia several years ago. To date, Australian SMAs have been largely unsuccessful. These SMAs were typically more costly than the managed funds alternatives, and Praemium believes this is the principal reason for their lack of uptake. The MLIM SMA has a lower cost structure than traditional managed fund solutions.

(b) Features and Benefits of the SMA

Whilst providing all of the benefits of alternative managed funds solutions, SMAs provide three key advantages, namely:

- **Improved Returns for Investors** – The after-tax return is improved to SMA investors due to increased CGT efficiency as the number and consequences of CGT events are minimised. Under the SMA structure, an investor can transfer in existing assets and maintain beneficial ownership in them. In contrast, an investment in a managed fund usually requires the liquidation of the previous form of investment and the acquisition of the new investment – this creates unnecessary CGT events.
- **Cost Reductions** – The net cost to investors of managed funds investments is substantially reduced as a consequence of the elimination of the layer of custody associated with the wholesale managed fund. Wraps, for example, require two layers of custody – the investment pooling layer and the managed fund layer. In contrast, the SMA requires the investment-pooling layer only. Praemium expects that the fees and charges paid by investors in the MLIM SMA will be up to 20% less than the costs associated with investment in alternative managed fund solutions.
- **Attraction to the Self-Managed Super Fund Investor** – Traditionally, there has been only a modest participation by SMSF investors in managed fund investment. Investors who take the time and have the interest to set up and manage their own Super Fund, may prefer the "hands-on" feeling of holding direct equities to the "passive" feeling that comes from holding an interest in a managed fund. Via an SMA, the SMSF investor can hold their equity investments directly whilst at the same time enjoying all of the benefits of pooling funds and accessing professional investment management. This is potentially attractive to both the SMSF investor as well as the SMA fund managers, who for the first time can have a real opportunity to attract SMSF investors into managed funds.

MLIM has deployed an SMA utilising Praemium's SMA technology which is known as the Merrill Lynch Customised Portfolio Service. This SMA may also be deployed and branded by other brokers and financial planners.

The following table provides a summary and comparison of the features of an investment in the MLIM SMA in comparison with managed funds or direct equities:

Feature	MLIM SMA	Managed Fund	Direct Equity
Professional fund management	✓	✓	✗
Immediate application of funds	✓	✓	✓
Immediate redemption of funds	✓	✓	✓
Traded every day	✓	✓	✓
Wholesale execution	✓	✓	✗
Low minimum investment	✓	✓	✓
Corporate actions administered	✓	✓	✗
Tax reporting	✓	✓	✗
Access via a Product Disclosure Statement	✓	✓	n/a
Ability to view underlying shares	✓	✗	✓
Fee transparency	✓	✗	✓
Equitable performance fees	✓	✗	n/a
Minimise CGT when switching	✓	✗	n/a
In-specie transfers	✓	✗	✓
Avoid embedded CGT	✓	✗	✓
Automatic tax optimisation	✓	✗	✗
Netting of transactions	✓	✗	✗
Blended individual portfolio	✓	✗	✗
Select minimum trade size	✓	✗	✓
Exclude stocks from portfolio	✓	✗	✓
Download Tax Parcels to Accountant	✓	✗	✗

(c) Potential SMA Market Size

As at June 2005, the value of retail managed investments in Australia was in the order of $400 billion. Of this, $263 billion (66%) was managed via Wraps and other managed funds platforms. Praemium believes that this is the size of the addressable market for SMAs in Australia. Potential exists for the SMA to augment this market by, for the first time, providing a managed investment structure that is attractive to the large SMSF investor market that has, to date, principally not participated in managed investments.

Praemium cannot estimate with any accuracy what proportion of the managed investment market will migrate to SMAs, however, its Board considers that it's likely that the market will find the features favouring SMAs in Australia to be attractive. In partnering with MLIM, a member company of Merrill Lynch, one of the world's largest and most successful providers of SMAs with approximately US $250 Billion in SMAs in the US, Praemium is well positioned to play a leading role in the growth of SMAs in Australia.

(d) The Merrill Lynch Arrangement and the Marketing of the SMA

Praemium has agreed to an exclusive arrangement under a Relationship Agreement with MLIM. The exclusivity period expires on the earlier of 8 November 2008 or when the value of the assets under management in its SMA reaches $2.3 billion (after excluding assets which are held for any target participants that Praemium has agreed with MLIM may be excluded from this calculation).

It has recently been announced that MLIM, globally, is to be acquired by BlackRock Inc. Praemium does not expect this to have any adverse impact on the Relationship Agreement or the marketing of the SMA by MLIM in Australia.

Under the terms of the Relationship Agreement, Praemium receives 20% of the administration fees that MLIM charges its SMA clients.

MLIM is currently marketing its SMA at a price that allows investors to achieve a better after tax investment outcome compared to an alternative managed fund solution, but at a cost equal to or lower than an alternative managed fund solution. Praemium thinks that this is a strong argument – pay less and get more.

MLIM is marketing its SMA to financial planning groups and institutions via its existing Business Development Manager (BDM) networks as well as recruiting an SMA specific sales force.

As MLIM currently has exclusivity with regard to the use of the Praemium SMA technology, Praemium provides support and assistance to MLIM in marketing the Merrill Lynch Customised Portfolio Service, by introducing the SMA to existing PAS clients as well as including references to it in the standard PAS marketing program.

MLIM launched the Merrill Lynch Customised Portfolio Service in the Australian market in November 2005. Whilst the product is only in its early stages of being marketed, already a number of large financial planning firms, dealer groups and financial services organisations have expressed strong interest. Tolhurst Noall has recently signed a contract to implement and others have signed letters of Intent with MLIM and are in the process of planning for the implementation of the SMA.

(e) Competition

As the SMA market in Australia is embryonic, there are currently only a small number of direct competitors. Praemium believes that with its technology and cost advantage, together with the sales and marketing power of MLIM, there exists a significant competitive advantage over that small number of competitors.

More relevant is the competition with other managed fund platforms. The challenge and the opportunity for Praemium (and MLIM) lies in communicating the attractive benefits that an SMA has over alternative managed fund solutions and capturing market share.

Whilst it is also possible that current managed fund providers will evolve over time and build or buy an SMA technology to become SMA operators, this is unlikely to occur in the short term due to the a number of factors, namely:

- Alternative managed fund providers may not want to do anything that may impact negatively on their existing revenue stream;
- The deployment of an SMA capability to match Praemium's would require the deployment of advance direct equities reporting capability the equivalent or better than PAS; and
- It is likely to be much cheaper and less time consuming for alternative managed fund solutions to White Label an established SMA offering – this can be an opportunity for growth for Praemium.

(f) Barriers to Entry

There are a number of barriers to entry for those wishing to enter the SMA market. For example:

- **Complex Subject Matter** – The SMA service is an operationally complex service that has taken Praemium several years to build.
- **Access to Relevant Experience** – In developing its SMA capability, Praemium has had extensive input from MLIM based on Merrill Lynch's operational experience in the US over 25 years. This access to extensive operational experience is very difficult to obtain as there are only a few organisations in the world with this experience.
- **Intimate Integration to PAS** – An SMA system does not operate in isolation – it works in conjunction with a direct equities portfolio service. Praemium's SMA is an extension of PAS and has a level of integration and functionality not possible with stand alone SMA systems.
- **Uniqueness of the Australian Market** – The uniqueness of the Australian CGT environment and the requirement to integrate into Australian based portfolio services and data suppliers create significant technology, time and cost barriers for any overseas (e.g. US) SMA provider seeking to transport its offering into the Australian market.

3.4 THE UK OPPORTUNITY

3.4.1. Introduction

Following over 12 months of research and preparation, Praemium believes that an opportunity exists for extending its PAS and SMA into the UK market.

The structure and drivers of the market for financial services in the UK are evolving in a similar fashion as eventuated in Australia over the past few years. In particular:

- Changes to the taxation regime applicable to UK Self Invested Personal Pension Schemes (known as SIPPS) that took effect on 6 April 2006 ('A-Day') are very likely to significantly increase the incentives for the UK public to save and invest, creating an immediate need by financial services organisations for better portfolio administration tools;
- The UK financial planning market is shifting from commission based rewards into fee based planning – this increases competition amongst financial planners to compete by reference to the quality of services and advice provided and on cost;
- The industry is preparing for a shift from a retail managed funds focus into wholesale managed funds through the introduction of Wrap platforms;
- Like Australia, the UK has developed a complex CGT regime, further enhancing the need for better portfolio administration tools; and
- As in the Australian market, Praemium is not aware of any product with the comprehensive functionality of either the PAS or the SMA to properly service the needs of financial services organisations in this evolving UK market.

Each of these drivers point to the opportunity for Praemium to benefit from its experience, reputation and early success in the Australian market, by similarly entering and penetrating the UK market.

As the UK market undergoes its transformation, Praemium believes that its prospects of success will be maximised by entering the market over the coming 6-8 months. This will allow the prospect of taking market share and establishing Praemium's position in the market at its early stages and protect against lesser competitors gaining early market share.

Praemium's research indicates that many large organisations in the UK are currently addressing the need to deploy managed funds platforms and are attracted by the SMA. Accordingly, Praemium believes that now is the time to ensure that Praemium's solutions are marketed in the UK and that it has the financial capacity to implement the changes required to roll out its service offerings in that market. In particular, Praemium sees the opportunity to establish its SMA in the UK market before alternative managed fund solutions gain traction and recognition.

3.4.2. Market Size

The total size of the UK stock market as at 31 December 2004 was £1,517 billion, which is roughly three times the capitalisation of the Australian market. Generally speaking, Praemium assumes that its potential market in the UK is in the order of three times the potential Australian market as the relative numbers of financial service providers appears to be in the order of three times the numbers in Australia:

	Australia	UK
Number of Accountants (estimated)	40,000	120,000
Financial Planners (estimated)	12,000	20,000
Number of Stockbroking firms (estimated)	87	200

The bulk of the estimated £3,000 billion of funds for which the UK funds management industry is responsible are held by institutional funds, insurers and pension funds. Funds held on behalf of private clients represent approximately £310 billion at the end of 2004 (or approximately 10%). It should be noted that in Australia, insurers also dominated investment markets in the previous decade.

Should the UK market continue to evolve in the same way as the Australian market, the UK managed fund market should grow rapidly and substantially, providing a very large potential market for both Praemium's PAS and SMA technologies. Praemium aims to be a major provider of portfolio administration services and SMA platforms to this market.

3.4.3. Preparation Undertaken

It has been more than 12 months since Praemium commenced assessing its ability and requirements for successfully entering the UK market. In that time, with the aid of market research and UK consultants, Praemium has:

- **Assessed technical feasibility** – ensuring that Praemium's platform can be readily converted and implemented in the UK. Particular emphasis was placed on ensuring that the platform can be modified for the UK's CGT regime and that all aspects of technical deployment in the UK including potential sources of UK corporate action and stock market feed data were available and costed;
- **Confirmed generally receptive markets and a number of specific opportunities** – specific market research confirms the emergence of the managed funds market in the UK. More specifically, Praemium's Managing Director has conducted in excess of 50 presentations to leading UK financial services organisations, a number of which have expressed interest in using PAS or SMA (or both) once available in the UK market.

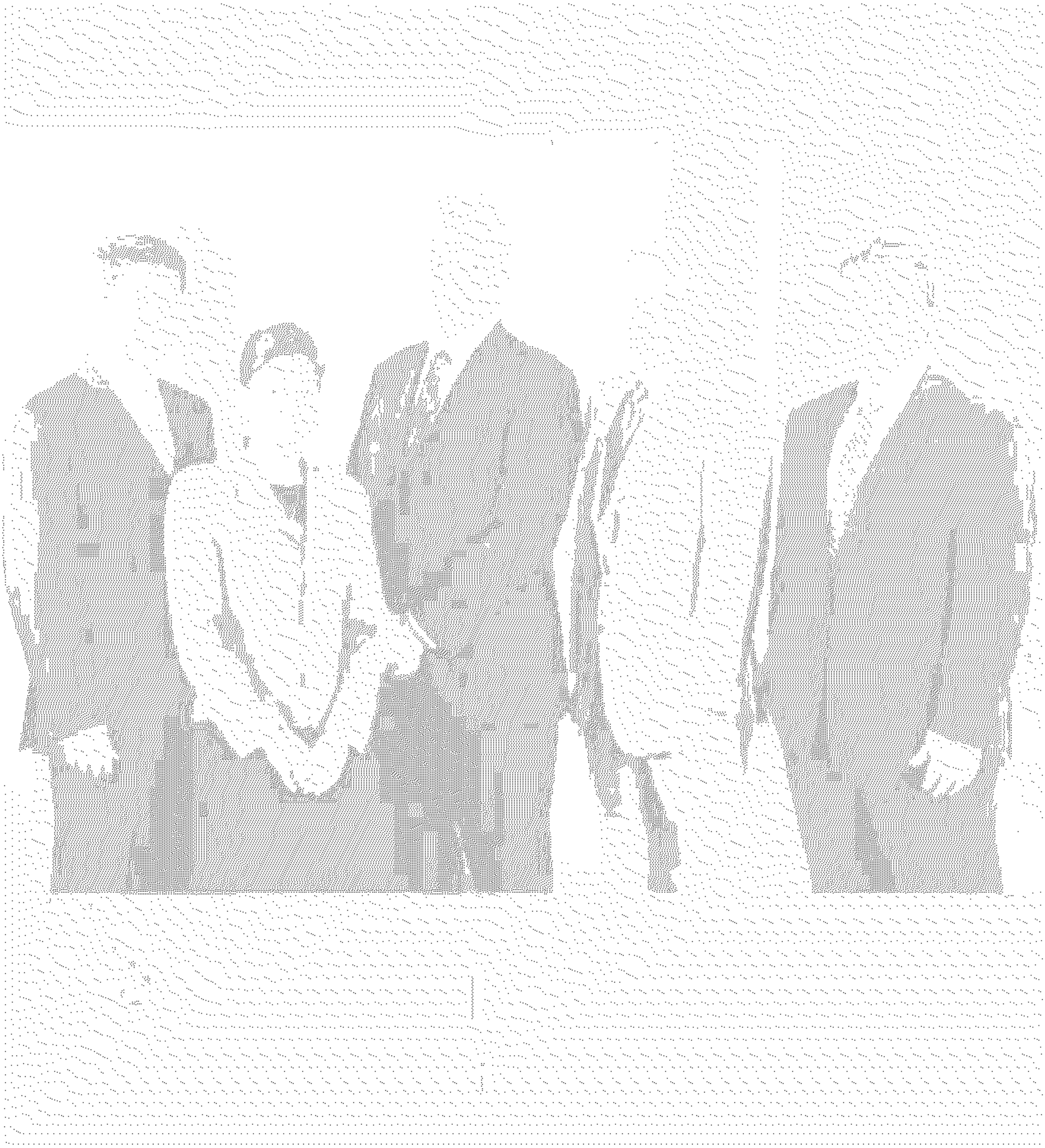
3.4.4. The UK Development and Deployment and the Financial Outlook in the UK Market

Praemium intends to complete the preparatory work required for its PAS and SMA to be ready for marketing in the UK within 6 – 8 months of its ASX listing. In this time, Praemium will undertake all technical work required to customise its platform for the UK market and ensure that its sales, marketing and customer support infrastructure is properly in place and operational for its launch into the UK market.

Praemium has budgeted for expenditure of $10 Million to complete its preparation for the UK market. It does not expect to commence earning revenue in the UK market for at least 12 months following its ASX listing and cannot guarantee the success of its products in the UK once launched. Even if successful, the Australian experience has demonstrated that it may take considerable time for Praemium to achieve scale in the UK. Praemium will, however, continue to build on its UK pre-marketing activities conducted to date, with a view to maximising its prospects of commencing to earn revenues as soon as possible after the launch of its platforms in the UK.

section 4. board and senior management

Praemium Board left to right: Malcolm Taylor, Dr Don Stammer, Arthur Naoumidis, Christine Silcox and Rob Edgley



section 4. board and senior management

CHAIRMAN

Dr Donald William Stammer

Dr Stammer studied economics at the University of New England and the Australian National University. He taught economics and finance at both universities prior to 1971, when he joined the Reserve Bank of Australia, where he held senior positions in the Bank's Research Department and its Banking and Finance Department.

From 1981 to 2001, Dr Stammer was Chief Economist/Director of Investment Strategy for Deutsche Bank and its predecessor Bain & Company.

In addition to his role as non executive Chairman of Praemium, Dr Stammer is Chairman of Tribeca Learning Limited, Chairman of Mosaic Oil NL and a non-executive Director of ING Private Equity Access Limited. As well, Dr Stammer chairs the Australia Korea Foundation, a body set up by the Australian Government to improve mutual understanding between Australia and Korea. In November 2004, he retired as a Director of ING Australia Holdings Limited and as Chairman of the ING listed property trusts after ten years as a Director, five of them as Chairman of the listed property trusts. In 2005 Dr Stammer retired from his role as Chairman of Novera Energy Limited.

Dr Stammer is a member of the Audit, Risk & Compliance Committee and Remuneration Committee.

MANAGING DIRECTOR

Mr Arthur Naoumidis

Mr Naoumidis is the founder of Praemium and the inventor of its core technology. Since 2001, Mr Naoumidis has been responsible for establishing the underlying technology components as well as the marketing and operation of the business.

Prior to establishing Praemium in 2001, Mr Naoumidis worked for the retail stockbroking arm of BNP Paribas as the Head of Equity Products. In that role he was responsible for the development and marketing of the portfolio administration business unit.

Between 1997 and 2001, Mr Naoumidis was employed by J B Were & Son (Stockbrokers) (now Goldman Sachs JBWere) initially as a Business Project Manager, responsible for co-ordinating the IT work of the retail broking department. In his last 2 years with that firm, Mr Naoumidis was the Retail Services Manager, responsible for the portfolio administration business function within JB Were.

Prior to this, Mr Naoumidis was employed by banking organisations both here with the Bank of Melbourne and, for an eight year period, in the United Kingdom with Chase Manhattan, JP Morgan and SG Warburg banks. During this period he designed, implemented and managed many complex system projects for these organisations.

Mr Naoumidis is a member of the Remuneration Committee. He is also the key person and a responsible officer under Praemium Australia Pty Ltd's AFS Licence.

NON EXECUTIVE DIRECTOR

Mr Robert Edgley

Mr Edgley holds a Bachelor's degree in Economics from Monash University. His career has been predominantly focused in fixed interest financial products, in Australia, the UK and Japan.

During the period spanning March 2000 to July 2004, Mr Edgley held the position of Head of Sales, Asia Pacific Region, Royal Bank of Scotland, and was also a Director of Royal Bank of Scotland Australia Pty Ltd. In the regional role he was responsible for a team of 70 sales and sales support people throughout Asia for marketing the banks Financial Markets Products including Fixed Income, Derivatives and Foreign Exchange products.

Mr Edgley chairs the Group's Audit, Risk & Compliance Committee and is a member of the Remuneration Committee.

NON EXECUTIVE DIRECTOR

Mr Malcolm Taylor

Mr Taylor has 25 years experience as a fixed interest trader. Between 1982 and 2002 Mr Taylor was a Senior Partner of Potter Partners and held the role of Head of Risk and Trading, based in London, where he founded a highly successful operation for Potter Warburg. He has also been a member of the SFE reporting bond dealers committee. Mr Taylor has extensive experience as an effective and senior sales person in the financial services sector, having developed significant relationships with key participants in the Australian and international markets, including Government Treasury Departments and major investment companies.

Mr Taylor is the Chairman of the Group's Remuneration Committee and is a member of the Audit Risk & Compliance Committee.

EXECUTIVE DIRECTOR

Ms Christine Silcox

Ms Silcox has extensive experience in project management, product development and implementation of procedures. For some years she carried out projects in a self employed capacity working within a range of organisations and industry types, focusing on accounting and administration services.

Ms Silcox brought her expertise into the financial services industry almost 10 years ago, and her position immediately prior to joining Praemium in 2002 was with Merrill Lynch Private as Administration Manager, in charge of their retail portfolio management products including superannuation.

At Praemium, Ms Silcox is responsible for overseeing and progressing the operations functions and development of the service in line with market and clients' requirements and accordance with available resources. She is also Praemium Australia Pty Ltd's Compliance Officer.

COMPANY SECRETARY & GENERAL COUNSEL

Ms Cathryn Nolan

Ms Nolan has worked as an employee solicitor with two large national Australian law firms and for a brief period for a boutique investment bank, specialising in large projects throughout the world. Between January 2001 and July 2005, Ms Nolan was a partner of the firm Abbott Stillman & Wilson (now Dibbs Abbott Stillman). Ms Nolan has practised extensively as a corporate lawyer with a focus on both Australian and international capital raising, financial services reform, information technology, ASX Listing Rules and intellectual property.

Prior to joining Praemium as its general counsel and company secretary, Ms Nolan acted as the Group's external legal advisor since the time of its inception.

Currently Ms Nolan undertakes her role as a consultant and is also the principal of a sole practice law firm, NolanLegal. Ms Nolan will commence a full time role with the Company following lodgement of this Prospectus.

Ms Nolan acts as secretary to all Board committees.

CHIEF TECHNICAL OFFICER

Mr Phillip Ince

Mr Ince joined JB Were & Son in December 1981 as a computer operator, was leading the operations shift within 6 months and promoted to the role of Application Developer within 12 months, specialising in CICS and IMS development and ultimately responsible for managing a team of 6 developers.

Mr Ince is a gifted software architect with more than 20 years experience developing and maintaining systems for the financial services industry. Since joining Praemium in November 2004, Mr Ince has been responsible for developing a CHESS interface for Praemium's services and had a significant role in the development of the SMA Platform.

NATIONAL MARKETING & SALES MANAGER

Warren Gibson

Mr Gibson began his financial services career in 1984 as an authorised dealer's representative, following a 13 year career in theatrical management roles and film distribution. After 4 years on the advisory side he moved into corporate and business development, practice administration and marketing, establishing his own advertising and distribution company in 1995. In November 2002 he joined Praemium as Senior Product Manager to promote the on-line service to the retail investor market. His role quickly merged with the wholesale market and he moved into a marketing and sales management role working with accountants, financial planners and brokers.

Mr Gibson oversees the Company's marketing and sales function.

CHIEF FINANCIAL OFFICER

Mr Steven Stamboultgis

Mr Stamboultgis has a depth of experience over 20 years in the finance industry with such companies as Elders, Fosters Brewing Group, Pauls Milk and Parmalat Australia.

Mr Stamboultgis's last position was with the Ezipin Group as its Chief Financial Officer. He was a key member of the team that prepared the Group in readiness for an ASX listing (the group was instead sold to BillExpress Ltd in September 2005).

Mr Stamboultgis holds a bachelor's degree in accounting, a master's degree in commercial law (tax) and is a certified practising accountant.

section 5. financial information

5.1 INTRODUCTION

This section contains the historical financial information of Praemium. All information presented in this section should be read in conjunction with the risk factors outlined in Section 7 and the Independent Accountant's Report set out in Section 6 of this Prospectus.

5.2 BACKGROUND

Praemium was incorporated on 10 October 2001 as a proprietary limited company and converted to a public company on 13 January 2006. Praemium operated as a single entity until 11 February 2005 when Praemium UK and PPS UK were incorporated as wholly owned subsidiaries of Praemium. Further to this Praemium Australia was incorporated in Australia on 19 December 2005, again as a wholly owned subsidiary of Praemium. As at 31 December 2005, Praemium UK, PPS UK and Praemium Aust. were all dormant. The purpose of these entities is described in Section 10.2 of the Prospectus.

The pro forma consolidated historical income statements of Praemium for the financial years ended 30 June 2004, 30 June 2005 and the six months ended 31 December 2005 have been derived from the accounts of Praemium, although adjustments have been made to remove the impact of unusual and non-recurring items and to include the costs of operating as a listed public company. The nature and quantum of adjustments made are explained in Section 5.5. The financial statements of Praemium for the year ended 30 June 2004 were unaudited, for the year ended 30 June 2005 were audited by William Buck and for the period ended 31 December 2005 were reviewed by William Buck (Vic.) Pty Ltd.

5.3 BASIS OF PREPARATION

The following outlines the basis of preparation of the historical information included in the Prospectus. For further information on accounting policies applied refer to the Independent Accountant's Report in Section 6.

The historical financial information comprises of:

- Historical consolidated income statements for the six months ended 31 December 2005 and the years ended 30 June 2004 and 2005.
- Historical consolidated balance sheet of Praemium as at 31 December 2005.
- Pro-forma consolidated historical balance sheet of Praemium as at 31 December 2005.
- Historical consolidated cash flow statements for the six months ended 31 December 2005 and years ended 30 June 2004 and 2005.

5.3.1. Historical income statements

The historical consolidated income statements have been based upon the audited financial statements of Praemium for the year ended 30 June 2005, the unaudited financial statements for year ended 30 June 2004 and the reviewed financial statements for the period ended 31 December 2005. However, in determining the consolidated pro forma financial earnings, the actual earnings in these historical financial statements have been adjusted to remove the impact of unusual and non-recurring items and to include the costs of operating as a listed public company and the issuing of Options under the Employee & Directors Benefits Plan detailed in Section 5.5 of this Prospectus. The nature and quantum of the adjustments made are explained in this section.

5.3.2. Historical Balance Sheet

The historical balance sheet of Praemium as at 31 December 2005 has been reviewed by William Buck (Vic) Pty Ltd.

5.3.3. Pro-forma Balance Sheet

The pro forma balance sheet of Praemium as at 31 December 2005 has been prepared based upon the historical balance sheet of Praemium adjusted as if the Offer (excluding the Employee Share Offer) and certain other transactions occurred on 31 December 2005. These adjustments are referred to collectively as the "pro forma transactions".

The pro forma transactions include:

- In accordance with the Offer the Company will issue 45,000,000 fully paid new ordinary Shares at $0.40 each to raise a total of $18,000,000.
- Costs incurred in association with the Offer.
- As detailed in Section 2.3 the Company has granted 2,700,000 options to Directors and Senior Praemium Staff.
- Issue of 340,000 fully paid new ordinary Shares at $0.40 each to employees prior to the Offer.

Further details of these pro forma transactions and the pro forma consolidated financial position of Praemium at 31 December 2005 are included in the Independent Accountant's Report in Section 6 of this Prospectus.

5.3.4. Historical Cash Flow Statements

The historical consolidated cash flow statements have been based upon the audited financial statements of Praemium for the year ended 30 June 2005, the unaudited financial statements for year ended 30 June 2004 and the reviewed financial statements for the period ended 31 December 2005.

5.4 SUMMARISED GROUP EARNINGS INFORMATION

Income Statement	Historical Six months ended 31 December 2005 $'000	Historical Year ended 30 June 2005 $'000	Historical Year ended 30 June 2004 $'000
Revenue from ordinary activities	1,091	1,371	639
Employment costs	(907)	(1,284)	(995)
Other overhead costs	(782)	(1,259)	(818)
EBITDA	(598)	(1,172)	(1,174)
Depreciation & amortisation	(35)	(39)	(17)
EBIT	(633)	(1,211)	(1,191)
Net interest income/ (expense)	6	(1)	(25)
(Loss) before income tax	(627)	(1,212)	(1,216)
Income tax expense	-	-	-
(Loss) after income tax	(627)	(1,212)	(1,216)

5.5 NORMALISATION OF EARNINGS

The table below explains the nature and quantum of adjustments that have been made to determine normalised EBITDA for the years ending 30 June 2004 and 2005 and the half year ending 31 December 2005.

Income statement	Note	Historical Six months ended 31 December 2005 $'000	Historical Year ended 30 June 2005 $'000	Historical Year ended 30 June 2004 $'000
Reported EBITDA		(227)	(352)	(187)
Public company costs (other overhead costs)	1	(318)	(820)	(987)
Share options expense	2	(53)	-	-
Normalisation adjustments		(371)	(820)	(987)
Normalised EBITDA		(598)	(1,172)	(1,174)

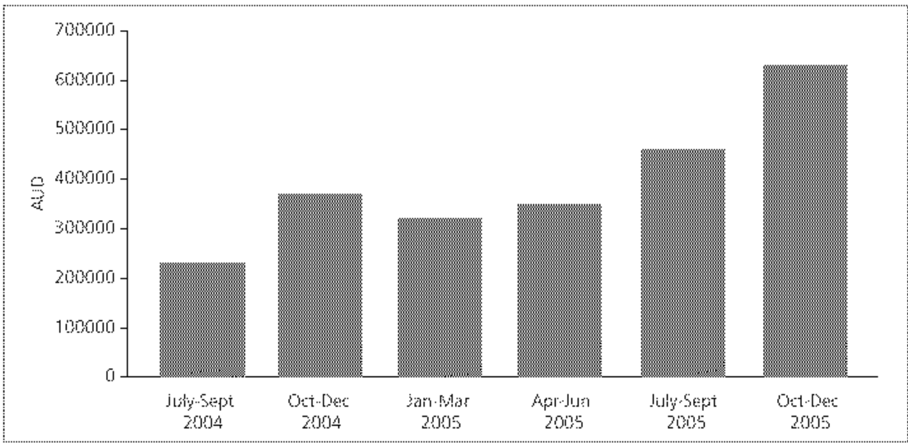
Note 1 Adjustment made to the pro forma EBITDA for the periods ended 30 June 2004 and 2005 and December 31 2005 in respect to costs that would have been incurred by Praemium had it operated as a publicly listed company during these periods including remuneration that would have been paid to an appropriate management structure. These costs include market remuneration paid to the Managing Director, Chief Financial Officer and Company Secretary (in years 30 June 2004 and 2005), Director fees, registry costs and the cost of insurance premiums (in all periods).

Note 2 As per Sections 10.5 and 10.9.7 the Company will issue 2,700,000 Options (900,000 in each of the series described in Section 10.9.7) to certain employees and Directors on the Closing Date under the Company's Employee & Directors Benefit Plan.

5.6 ANALYSIS OF HISTORICAL INFORMATION

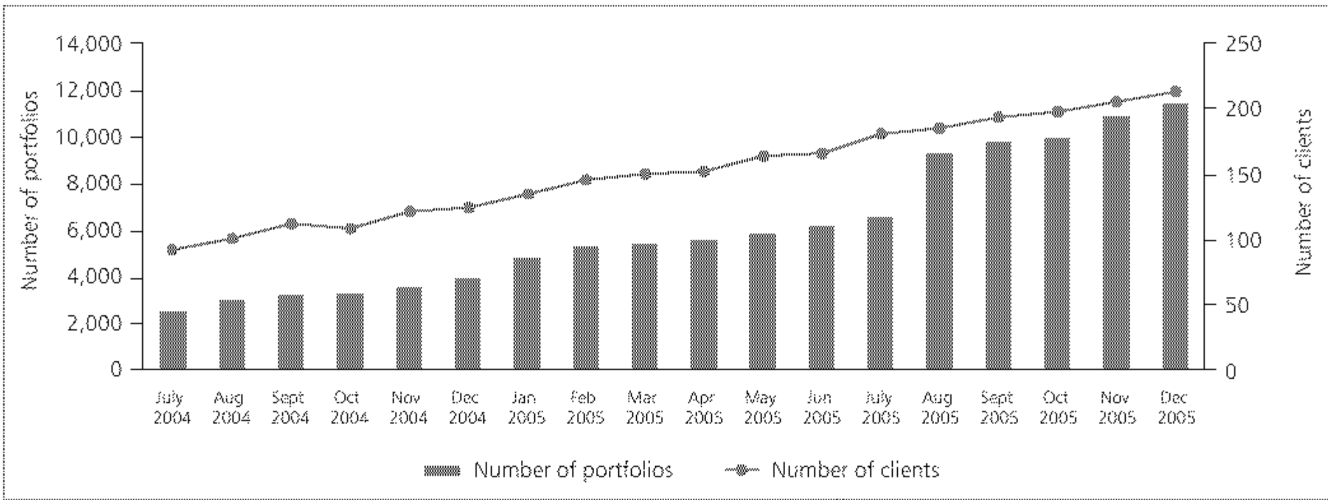
Revenue

Praemium Ltd – Quarterly Net Invoiced Revenue



Revenues over the quarterly periods September 2004 to December 2005 have grown to $635,000 from $235,000, or approximately 170%. In comparing the December 2004 quarter to the December 2005 quarter, revenue has grown from $366,000 to $635,000 or approximately 73%. Revenue growth from the September quarter has been impacted by the addition of a major fund/wealth manager client. The portfolio impact is detailed in the graph below which shows portfolios under administration growing from 6,588 in July 2005 to 9,416 in August 2005, a 43% increase.

Praemium Ltd – Number of Clients and Portfolios under management



Client numbers have grown from 93 in July 2004 to 213 in December 2005, an increase of 129%. It should be noted that PAS's capacity is currently under utilised and it is at approximately 15% of available capacity as at December 2005.

5.6.1. Costs

(a) Research and development incurred

For the period 1 July 2003 to 30 June 2005, Praemium incurred an aggregate spend on research and development on the Praemium Portfolio Service for the Australian market of $687,000 of which $421,000 was incurred in the 30 June 2005 financial year. The spend on research and development expenditure as at 31 December 2005 was in the order of $110,000. All of the Company's expenditure on research and development is expensed through the Income Statement.

(b) Employee costs

Normalised employee costs have remained relatively consistent as a percentage of revenue (a decrease from 93% for the year ended 30 June 2005 to 83% as at the half year ended 31 December 2005). An increase in portfolios under management should not ordinarily increase staff numbers. Staff numbers will increase as a result of the 3 new Australian offices that are planned and the work to be undertaken in the UK.

(c) Overhead costs

Normalised other costs for the same periods have decreased from 86% of revenue to 71%. The majority of these costs are not linked to growth in revenue and as such it is not anticipated that Australian overhead costs will increase as a percentage of revenue.

5.7 HISTORICAL BALANCE SHEET & PRO FORMA CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2005

	Note	Consolidated 31 December 2005 $	*Pro forma Consolidated* 31 December 2005 $
Current assets			
Cash assets	3	152,535	16,963,402
Receivables	4	295,179	295,179
Other	5	164,170	113,303
Total current assets		611,884	17,371,884
Non-current assets			
Plant and equipment	6	350,758	350,758
Other	7	7,733	7,733
Total non-current assets		358,491	358,491
Total assets		**970,375**	**17,730,375**
Current liabilities			
Payables	8	264,432	264,432
Provisions	9	45,805	45,805
Other	10	28,168	28,168
Total current liabilities		338,405	338,405
Total liabilities		338,405	338,405
Net assets		**631,970**	**17,391,970**
Equity			
Contributed equity	11	2,097,963	18,993,963
Reserves	12	-	52,765
Accumulated (losses)	13	(1,465,993)	(1,654,758)
Total equity		**631,970**	**17,391,970**

The Praemium Ltd historical and pro forma consolidated balance sheet have been prepared in accordance with, and should be read in conjunction with, the accounting policies set out in the Notes to the Financial Information in Appendix B to this report and the pro forma transactions. The historical and pro forma consolidated balance sheets are presented in an abbreviated form insofar as they do not include all the disclosures by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

5.8 HISTORICAL CASH FLOW STATEMENTS

Cash Flow Statements	Historical Six months ended 31 December 2005 $'000	Historical Year ended 30 June 2005 $'000	Historical Year ended 30 June 2004 $'000
Cash flows from Operating Activities			
Receipts from customers	975	1,292	553
Payments to suppliers & employees	(1,258)	(1,366)	(801)
Interest received	8	6	2
Net cash (used in) operating activities	**(275)**	**(68)**	**(246)**
Cash flows from Investing Activities			
Payments for property, plant & equipment	(247)	(450)	(168)
Net cash (used in) investing activities	**(247)**	**(450)**	**(168)**
Cash flows from Financing Activities			
Proceeds from issue of shares	500	600	500
Net cash provided by financing activities	500	600	500
Net increase/(decrease) in cash held	(22)	82	86
Cash and cash equivalents at beginning of year	174	92	6
Cash and cash equivalents at year end	**152**	**174**	**92**

5.9 NOTES TO THE FINANCIAL INFORMATION

5.9.1. 1a. Statement of Significant Accounting Policies

(a) Basis of Preparation

The Company's pro forma historical consolidated income statements and balance sheet at 31 December 2005 and the unaudited pro forma consolidated balance sheet at 31 December 2005 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, except that certain disclosures have been omitted. In the view of Praemium, these disclosures are not considered relevant to a potential investor in Praemium.

The financial information has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by Praemium in the preparation of the financial information. The accounting policies have been consistently applied, unless otherwise stated and are consistent between the historical balance sheet at 31 December 2005 and the pro forma consolidated balance sheet at 31 December 2005.

(b) Principles of Consolidation

The consolidated balance sheet is prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. The financial statements have been prepared using consistent accounting policies.

All inter-company balances and transactions (including unrealised profits and losses) have been eliminated on consolidation.

(c) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers. Other revenue is recognised when the right to receive the revenue has been established. All revenue is stated net of the amount of goods and services tax (GST).

(d) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred Tax for the Period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(e) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

(f) Employee entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amount they are expected to be paid when the liabilities are settled. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

(g) Cash and Cash Equivalents

Cash in the balance consists of cash and cash at bank and at call deposits with a maturity date within less than two months.

(h) Research and Development

Research costs are expensed as they are incurred. An intangible asset arising from development expenditure in relation to an internal project is recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to reliably measure the expenditure incurred in respect to the intangible asset during its development. Upon recognition, development expenditure is carried at cost less any accumulated amortization and accumulated impairment losses. Any expenditure capitalised is amortised over the period of its expected benefits.

The carrying value of research and development is tested for impairment annually or more frequently where an indication of impairment arises.

Rebate concessions received in relation to research and development expenditure are brought to account as revenue where expenditure has been expensed and as a reduction to the asset where the expenditure has been deferred.

(i) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

(j) Trade and Other Creditors

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of any goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

(l) Share based payments

Equity-settled share-based payments granted after 7 November 2002 that were unvested as of 1 January, 2005 are measured at fair value at the date of grant. Fair value is measured by use of a Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the consolidated entity's estimate of shares that will ultimately vest.

(m) Transaction Costs on the Issue of Equity Instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued. The amount of transaction costs recognised in equity are costs incurred of $2,040,000.

(n) Comparative Information

The comparative information for the years ended 30 June 2004 and 30 June 2005 as disclosed in the Summarised Group Earnings Information has been restated for the impacts of the application of Australian Equivalents to International Financial Reporting Standards. These restatements related to the write off of research & development expenditure previously capitalised. The effects resulted in additional write offs of $133,911 and $243,645 in the 30 June 2004 and 30 June 2005 years respectively.

	Historical Six months ended 31 December 2005 $	Historical Year ended 30 June 2005 $	Historical Year ended 30 June 2004 $
2. REVENUE			
Revenue from operating activities			
Sales	1,089,990	1,271,452	534,199
Research & development rebates	-	99,772	104,398
Other	1,191	-	-
Total revenue from operating activities	1,091,181	1,371,224	638,597
Revenue from outside the operating activities			
Interest	8,367	6,150	2,262
Total revenue from outside the operating activities	8,367	6,150	2,262
Total Revenue	**1,099,548**	**1,377,374**	**640,859**

	Pro forma Consolidated 31 December 2005 $
3. CASH	
The pro forma consolidated cash position has been calculated as follows	
Cash position of Praemium at 31 December 2005	152,535
Proceeds from the Offer (excluding Employee Share Offer)	18,000,000
Costs incurred in connection with the public Offer after 31 December 2005	(1,189,133)
Pro forma consolidated cash position at 31 December 2005	16,963,402

	Consolidated 31 December 2005 $	Pro forma Consolidated 31 December 2005 $
4. RECEIVABLES		
Trade debtors	305,179	305,179
Provision for doubtful debts	(10,000)	(10,000)
Total receivables	**295,179**	**295,179**
5. OTHER CURRENT ASSETS		
Prepayments	164,170	113,303
6. PLANT AND EQUIPMENT		
At cost	457,338	457,338
Less: accumulated depreciation	(106,580)	(106,580)
Total plant and equipment	**350,758**	**350,758**
7. OTHER NON-CURRENT ASSETS		
Licence costs	8,000	8,000
Amortisation of licence costs	(267)	(267)
Total other non-current assests	**7,733**	**7,733**
8. PAYABLES		
Trade creditors	236,201	236,201
GST liabilities	28,231	28,231
Total payables	**264,432**	**264,432**
9. PROVISIONS		
Current		
Employee benefits	45,805	45,805
10. OTHER CURRENT LIABILITIES		
Accrued expenses	28,168	28,168

11. CONTRIBUTED EQUITY

The movement in the contributed equity of Praemium from 31 December 2005
to the pro forma consolidated balance sheet as at 31 December 2005 is detailed below:

Subscription Shares	Description	Pro forma Consolidated 31 December 2005 $
82,200,000	Balance of contributed equity as at 31 December 2005	2,097,963
340,000	Shares issued to employees since 31 December 2005	136,000
45,000,000	Shares issued to the public under the Prospectus at $0.40	18,000,000
2,000,000	Shares issued at $0.40 to the Underwriter to satisfy amounts owing in respect to underwriting fees	800,000
	Costs associated with the capital raising	(2,040,000)
129,540,000	Total contributed equity	$18,993,963

12. RESERVES

Description	Pro forma Consolidated 31 December 2005 $
Balance of reserves as at 31 December 2005	-
Value of Options offered to Employees and Directors as per Section 10.9.7 of the Prospectus	52,765
Total reserves	$52,765

13. EMPLOYEE SHARE OFFER

As detailed in Section 2.12 of the Prospectus, Praemium has made available up to 1,660,000 shares pursuant to an Employee Share Offer. The Employee Application Price for these shares is $0.38 per Share. The pro forma consolidated balance sheet of the Group at 31 December 2005 does not include the potential issue of these Shares. If these Shares are issued, the differences in the pro forma consolidated balance sheet would be as set out below:

	Pro forma Consolidated 31 December 2005 Disclosed in the Prospectus $	Pro forma Consolidated 31 December 2005 Including Employee Share Offer $
Cash	16,963,402	17,594,202
Issued capital	18,993,963	19,624,763
Net assets	17,391,970	18,022,770

14. CONTINGENT LIABILITIES

The Directors are not aware of any material contingent liabilities as at the date of this Prospectus.

15. RELATED PARTY DISCLOSURES

The Directors of Praemium and their interests in Praemium are listed at Section 10.9

section 6. independent accountant's report

13 April 2006

The Directors
Praemium Limited
Level 1, 406 Collins Street, Melbourne VIC 3000

William Buck
Business Advisors
Chartered Accountants

Dear Directors,

INDEPENDENT ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION

1. INTRODUCTION

The Directors of Praemium Limited ("Praemium" or "the Company") have requested William Buck (Vic) Pty Ltd ("William Buck Vic") to prepare an Independent Accountant's Report ("Report") for inclusion in a Prospectus dated 13 April 2006 ("the Prospectus") relating to the issue of 45,000,000 shares in Praemium at $0.40 per share ("the Offer").

Expressions defined in the Prospectus have the same meaning as in this report.

2. BACKGROUND TO HISTORICAL FINANCIAL INFORMATION

The historical information consists of the following:

- The pro forma historical consolidated income statements of Praemium for the financial periods ended 30 June 2004, 30 June 2005 and 31 December 2005;
- The historical consolidated balance sheet of Praemium as at 31 December 2005; and
- The pro forma consolidated balance sheet of Praemium as at 31 December 2005;
- The historical consolidated cash flow statement for the financial periods ended 30 June 2004, 30 June 2005 and 31 December 2005;

referred to collectively as the "Historical Financial Information".

The pro forma consolidated balance sheet of Praemium as at 31 December 2005 has been based on the historical balance sheet of Praemium as at 31 December 2005 adjusted as if the capital raising that is the subject of the Prospectus and certain other transactions occur on 31 December 2005. These adjustments are referred to collectively as the "pro forma transactions".

The pro forma transactions are as follows:

- The offer of 45,000,000 shares pursuant to this prospectus at $0.40 per share.
- Shares issued to employees subsequent to 31 December 2005 but prior to the offer representing 340,000 shares to employees at $0.40 per share
- Payment of costs incurred in relation to the offer of $1,240,000
- The issue of 2,700,000 options to employees

3. SCOPE OF THE REPORT

The Directors of Praemium are responsible for the preparation of the Historical Financial Information, including determination of the adjustments.

We have conducted our review of the Historical Financial Information in accordance with the Australian Auditing and Assurance Standard AUS 902 "Review of Financial Reports". We made such inquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- Analytical procedures on the Historical Financial Information of Praemium for the relevant historical periods;
- A review of work papers, accounting records and other documents;
- A review of the basis of preparation and adjustments used to compile the Historical Financial Information;
- A review of the adjustments made to the pro forma consolidated balance sheet of Praemium as at 31 December 2005;
- A comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Praemium disclosed in Section 5 to the Prospectus; and
- Enquiry of Directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. CONCLUSION

Based on our review, which is not an audit, nothing has come to our attention, which causes us to believe that the Pro forma and Historical Financial Information as detailed in Section 5 of the Prospectus does not present fairly the financial position, financial performance and cash flows of the consolidated group in accordance with the recognition and measurement principles prescribed in applicable Accounting Standards and other mandatory professional reporting requirements, and accounting policies adopted by Praemium and disclosed in Section 5 of the prospectus.

5. SUBSEQUENT EVENTS

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief, no material transactions or events outside of the ordinary business of the Group have come to our attention that would require comment on, or adjustment to, the information referred to in our report, or that would cause such information to be misleading or deceptive.

6. INDEPENDENCE OR DISCLOSURE OF INTEREST

William Buck does not have any interest in the outcome of the Offer other than in the preparation of the Independent Accountant's Reports and the provision of tax advice relating to the Offer for which normal professional fees will be received.

Yours faithfully,
William Buck (Vic) Pty Ltd ACN 054 150 051

Brad Taylor
Director

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section 7. investment considerations & risk factors

7.1 INVESTMENT CONSIDERATIONS & RISK FACTORS

7.1.1. Important Notice

Before any decision is made to subscribe for Shares, investors evaluating an investment or prospective investment in Praemium must carefully consider the following information, as well as other matters described in this Prospectus.

In addition to the general risks attaching to any investment in shares, there are a number of sector-specific and wider market risks that may affect the future operating and financial performance of Praemium and the value of an investment in it. There can be no guarantee that Praemium will achieve its objectives or that profitability will eventuate.

An investment in Praemium should be regarded as speculative, and the Shares allotted under this Prospectus carry no guarantee with respect to the payment of any dividend, return of capital or market value.

If you are in doubt about investing in the Shares, you should consult your stockbroker, lawyer, accountant, financial planner or financial advisor or other professional advisor prior to making any decision whether to invest.

This section describes certain general and specific, but not all, risks associated with an investment in Praemium.

7.2 GENERAL RISKS

7.2.1. Share market investment

Once the Shares are quoted on ASX, the price of the Shares may rise or fall and the Shares may trade at prices below or above the Offer Price.

Factors affecting the price that Shares are traded on ASX could include domestic and international economic and geopolitical conditions and outlook, acts or threatened acts of terrorism, changes in government, monetary and regulatory policies, changes in interest rates and the rate of inflation, the announcement of new technologies and variations in market conditions.

7.2.2. General economic conditions

Praemium's performance may be influenced by a variety of economic and business conditions, including inflation rates, interest rates, exchange rates and government, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including a decrease in consumer and business demand, and a decrease in the investment market generally, could be expected to have a corresponding adverse impact on Praemium's operating and financial performance.

7.2.3. Competition

Increased competition could result in price reductions, under utilisation of personnel, reduced operating margins and loss of market share/failure to achieve market share.

7.2.4. Market for Shares

Prior to the Offer there has been no public market for the Shares. No assurance can be given that an active market will develop in the Shares or that the Shares will trade at or above the Offer Price after the Shares have been listed on the Official List and after Quotation.

7.3 SPECIFIC RISKS

7.3.1. Intellectual Property

Praemium's core assets include its proprietary intellectual property. The commercial value of technology is dependant on legal protections provided by a combination of copyright, confidentially, trade secrecy laws and other intellectual property rights. These legal mechanisms do not guarantee that the technology will be protected or that the competitive position Praemium holds as a consequence of its unique technology will be maintained.

No assurances can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate Praemium's intellectual property or that competitors will not be able to produce non-infringing competitive technology.

In addition, no assurance can be given that others will not challenge Praemium's rights in the technology. Praemium will make assessments of the various strategies available to it to protect its technology in each jurisdiction in which it operates or seeks to operate going forward. Praemium currently has not attempted to patent any of its technologies and may not seek to do so in the future, either because such protection is not commercially practical or because it may be unavailable or limited in certain places. To date, Praemium has taken the view that the patenting process, which requires disclosure of key technology and methodologies, poses more risk than benefit to Praemium.

It may be necessary, where commercially feasible, to litigate from time to time to enforce and protect Praemium's rights in its intellectual property. Litigation can be costly and can have adverse effects on Praemium's activities, business, operating results and financial position. Likewise, failure to protect any technology right may equally have a materially adverse effect on Praemium's activities, business, operating results and financial position.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against Praemium under copyright, trade secret, patent or other laws. While Praemium is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has interests, such claims, if made, may harm, directly and indirectly, Praemium's business. If Praemium is forced to defend claims of intellectual property infringement whether they are with or without merit or are determined in Praemium's favour, the costs of such litigation could be potentially significant. Such litigation would be likely to divert management's attention from normal commercial operations. Furthermore, such disputes may require Praemium to develop non infringing technology or enter into royalty or licensing agreements which, if necessary, may be unavailable on terms acceptable to Praemium. If there is a successful claim of intellectual property infringement or unfair competition against Praemium and it is unable to develop non-infringing technology or licence the infringed or similar technology or content on a timely basis, it could harm Praemium's business, operations and financial conditions.

7.3.2. Management of growth

Praemium has experienced growth that has resulted in an increased level of responsibility for both existing and new management personnel. To manage this growth effectively, Praemium will need to maintain efficient control and supervision of its operating and financial systems and continue to expand, train and manage its employees and distribution network. Failure to do this effectively could detrimentally impact on Praemium's business, and as a consequence its share price.

7.3.3. Technology development and competition

Praemium's future success will depend on its ability to develop products and methods that are competitive in a global market place. Praemium's current and potential future competitors include companies with significantly greater financial resources than Praemium.

7.3.4. Reliance on key personnel

Praemium currently employs a number of key management and technical personnel, and in part Praemium's future depends on retaining those persons and being able to attract qualified personnel. Praemium's founder and Managing Director plays a key role in the organisation. The agreement between the Company and MLIM provides that the agreement can be terminated if he ceases to be involved in the company.

Praemium has structured its employment practices with a view to providing incentives to assist in the recruitment and retention of key personnel. It has also, as far as is legally possible, established a contractual mechanism through employment contracts to limit the ability of key personnel to join a competitor or directly compete with Praemium. In addition the Company holds the benefits of an insurance policy over the life and total and permanent disability of Arthur Naoumidis. Despite these measures, however, there is no guarantee that Praemium will be able to attract and retain qualified personnel, and a failure to do so could materially adversely affect the business, operating results and financial prospects of Praemium.

7.3.5. Internet

Praemium's services rely on the Internet. The Internet is not, and cannot be, controlled by any single entity or regulation. Accordingly there are risks associated with any business that delivers its services over the internet which include, but are not limited to, security and hacking threats as well as risks associated with failure of the physical infrastructure associated with it as a consequence of terrorist attack or natural disaster. Praemium takes these risks seriously and has taken steps to both minimise the chances of them eventuating and mitigating their consequences if they do. Praemium's systems have withstood security tests required by some of the world's largest financial institutions (which have utilised the services of internationally recognised security companies for the purpose of confirming Praemium's security measures). In addition Praemium has deployed and regularly tests a disaster recovery plan that provides full redundancy and will enable Praemium to resume timely operations in the event of a serious infrastructure event in Melbourne's CBD (where its primary operations are located).

7.3.6. Contracts

Praemium operates through a series of contractual relationships with its customers and suppliers. All contracts, including those entered into by Praemium, carry a risk that the contracting parties will not adequately or fully comply with their respective contractual rights and obligations or that these contractual relationships may be terminated.

7.3.7. Portability of customer base

Whilst Praemium's experience is that large financial institutions are neither quick to adopt nor implement new technology systems, it recognises that it is difficult to 'lock in' its client base for significant periods of time. There is a risk that if a superior technology becomes available or there is significant price competition, or when there is a change to a client's management, ownership or business strategy, its clients may move to alternative services. Praemium continues to address this risk by its ongoing commitment to development of its technologies and services and its determination to ensure that its services continue to maintain a competitive edge.

7.3.8. Client Reviews and Tenders – Asgard

Praemium operates under client contracts that can typically be terminated by either party on 1 – 3 months notice.

Praemium expects its clients, in the ordinary course of their business practices, to strategically review their portfolio administration practices from time to time and, where applicable to conduct tenders for the provision of portfolio administration services under which industry participants will be invited to tender their services.

ASGARD, which currently has around 3,000 portfolios under administration by PAS, is currently tendering its portfolio administration services. Asgard first appointed Praemium in 2005 as an interim step in determining its longer term portfolio administration service provider. Praemium is hopeful of retaining the Asgard contract. However, the result of the tender process is not expected to be known until at least June 2006 and there can be no guarantee that Praemium will be successful in this tender process.

7.3.9. Valuation

No formal or informal valuation has been completed on the technology or assets of Praemium. Praemium makes no representation as to the value of its intellectual property or its business. All intending investors and their advisors should make their own assessment as to these matters after having regard to all of the matters set out in this Prospectus.

7.3.10. UK Expansion

Praemium believes that it is well placed to take its technologies and services into the UK market. In part this belief is based on its analysis of the UK market for financial services products and the factors affecting it in comparison with the Australian market. If its analysis is incorrect or if its implementation or timing is ineffective, Praemium may not succeed in the UK. Should it take Praemium longer than expected to deploy its UK operations, or if the UK market moves quicker than anticipated, it may prove difficult to dislodge competing solutions offered or implemented in that time.

7.3.11. Currency Risk

Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations in the international currency exchange markets. A major portion of the funds raised pursuant to the Offer are earmarked for expenditure in the UK. Accordingly such expenditure will be made in pounds sterling and may exceed the budgeted expenditure if there is an adverse currency movement against the Australian dollar. To mitigate any short term risk of this kind, Praemium, however, intends to exchange up to $8,000,000 of the funds raised under the Offer into pounds sterling as soon as possible after the Closing Date.

7.3.12. Regulatory Change

Praemium provides services to the financial services market. Over recent years the level and complexity of the regulatory environment for financial services in Australia have continued to increase, bringing with it the increased costs and burdens of compliance which impact on Praemium both directly and indirectly.

Praemium's products and service offerings are unique, and as a consequence the question of how they fit within the regulatory framework is complex. As the regulatory environment continues to change and adapt to technological change impacting on the financial services market, there is a risk that Praemium may be exposed to potentially high costs associated with navigating through the legislative regime and attending to compliance.

Praemium's services are not designed or intended to be financial advice. Nonetheless, Praemium Australia has sought and obtained an AFS Licence which authorises it to provide general financial product advice to ensure that in the event that any of the PAS or SMA functionality is, or is deemed to be, financial product advice, Praemium is appropriately licensed to provide that service. The holders of AFS Licenses must continue to comply with the conditions imposed by the licence in order to maintain it. This requires adherence to a range of compliance procedures and a constant monitoring of the applicable policies. If Praemium fails to comply with these requirements, it will be at risk of losing its AFS Licence and as a consequence may not be able to continue to provide the service or parts of it. In addition there would be substantial impact on the Company's reputation if those circumstances were to arise.

Praemium has engaged external compliance consultants to advise in respect to compliance requirements and to assist in the monitoring and ongoing review of compliance activities. The compliance consultants can report directly to the Chairman of the Company's Audit, Risk & Compliance Committee. Praemium takes compliance seriously and compliance issues are immediately addressed as and when they arise.

Praemium has made preliminary enquiries as to the regulatory regime applicable to its services in the UK, and will require further advice to determine whether any authorisation under the Financial Markets Act 2000 is required to provide its services in the UK. Praemium has budgeted an appropriate portion of the funds to be raised for the purpose of obtaining legal advice and assistance in the UK, which will include assistance and advice in connection with the requirements for compliance with the applicable regulatory regime. This may include obtaining an appropriate authorisation and establishing a compliance program under UK law. The results of Praemium's preliminary enquiries have not raised any issues that concern the Directors about the likelihood of the Company being able to comply with these requirements and obtain appropriate authorisations if they are required.

section 8. taxation

8.1 TAXATION

The following taxation summary provides a general overview of the Australian tax implications to Australian resident and non-resident investors who acquire and hold the Shares under the Offer contained in this Prospectus. This summary is based on the tax laws of Australia as at the date of this Prospectus.

The Australian tax laws are complex and the following is not intended to be a complete statement of the possible implications for investors. It is the responsibility of each Applicant to be satisfied as to the particular taxation treatment that applies to each investment. Persons who are considering making an investment in Praemium should seek independent professional advice with respect to the tax consequences applicable to their individual circumstances before investing.

The following discussion assumes that an investor will hold the Shares on capital account. A different treatment may apply if an investor holds the Shares on revenue account, for example share traders.

8.2 AUSTRALIAN INVESTORS

8.2.1. Capital gains tax

Australian income tax laws contain a capital gains tax ("CGT") regime. Shareholders who hold Shares on capital account will be subject to the CGT regime on disposal of those Shares. For CGT purposes, a Share is acquired on the date the Share is issued or allotted. The cost base used to work out any capital gain or loss on Shares is generally the amount a shareholder pays to acquire the Shares plus any incidental costs of acquisition and non-capital costs of ownership incurred.

Gains on the disposal of Shares held on capital account will be subject to CGT. A capital gain will arise where the proceeds received exceed the cost base of the Shares. Conversely, a capital loss will be incurred where the proceeds received on disposal are less than the cost base of the Shares.

Capital losses made in the same or prior years can typically be offset against any capital gains. Any remaining net capital gain is included in assessable income and taxed. Where a net capital loss is incurred it may be carried forward indefinitely and offset against future capital gains subject to certain restrictions.

Individuals and trusts in certain circumstances may be entitled to a 50% discount on capital gains derived where they have held the Shares as a CGT asset for 12 months or more. Complying superannuation funds and life insurance companies holding the Shares as virtual pooled superannuation trust assets are entitled to a discount of 33.3%. Any discount would apply only after capital losses are first applied against the capital gain. Companies holding shares are not entitled to the discount.

8.2.2. Stamp duty

No stamp duty is payable on the issue or transfer of Shares.

8.2.3. Taxation of dividends

Dividends paid will be included in assessable income in the income year they are paid. Dividends may be franked or unfranked. Franked dividends have franking credits attached and reflect the Australian corporate tax paid on the profits out of which the dividends are paid. The dividends and any franking credits attached should be included in assessable income.

Shareholders will be entitled to a tax offset equal to the franking credits received, provided the recipient is a "qualified person". In general terms, to be a qualified person two tests must be satisfied being the "holding period rule" and the "related payments rule". These rules will, in broad terms, be satisfied where Shareholders have held the Shares at risk for at least 45 continuous days (excluding the dates of acquisition and disposal).

Corporate shareholders may also be entitled to a franking credit in their franking account equal to the franking credit attached to the dividend paid. Such credit can be attached to dividends paid by the corporate shareholder to its shareholders. Certain types of taxpayers, including individuals and superannuation funds, are entitled to a refund of any excess franking credits. Companies are not able to claim a refund for excess franking credits but may be able to convert the excess into a carried forward loss.

Unfranked dividends will be included in assessable income.

8.2.4. Goods and Services Tax

Under current law, Goods and Services Tax is not payable on the issue or transfer of Shares.

8.3 NON-RESIDENT INVESTORS

8.3.1. Capital gains tax

Non-residents will generally not be subject to Australian CGT on disposal of the Shares unless they (and their associates) hold at least 10% of the Shares on issue at any time during the 5 years prior to disposal. However, the Treasurer has announced that the CGT rules would be changed so that CGT would not generally apply to Shares in a company such as Praemium. However, no legislation to effect this change has been introduced into Parliament as at the date of this document. In the event that the Shares are subject to CGT, the taxation consequences outlined above for an Australian resident will apply, subject to the application of any relevant Double Tax Agreement.

8.3.2. Taxation of dividends

Dividends received by non resident Shareholders will not be subject to dividend withholding tax to the extent the dividend is franked. However, dividend withholding tax may apply to that part of the dividend that is unfranked. The rate of dividend withholding tax rate is 30%, however this may be reduced (usually to 15%) where Australia has a Double Taxation Agreement with the Country in which the shareholder is a resident.

In addition, Australia has a foreign dividend account system which allows certain foreign dividends received in Australia to pass through Australia to foreign investors free from Australian dividend withholding tax.

Non-resident investors should consult their own tax advisor for the taxation implications in their own domestic jurisdiction of this Offer.

8.4 EMPLOYEE SHARE OFFER

The following taxation summary addresses the general tax implications to Employees who are Australian residents for Australian tax purposes and who will hold Employee Shares acquired through the Employee Share Offer. It reflects the applicable legislation and announced amendments as at the date of this Prospectus.

As the precise tax consequences of an Employee's participation in the Employee Share Offer will be affected by that Employee's personal circumstances, so each Employee should obtain independent professional taxation advice before accepting any Offer and investing in the Company.

Employees participating in the Employee Share Offer will receive a discount of 5% to the Offer Price on the acquisition of Employee Shares under the Plan. The discount received (being the difference between the market value of the Employee Shares received and any consideration paid to acquire the Employee Shares) will be assessable income in the tax year in which the shares are allotted.

8.4.1. Tax Up-front

Generally, unless an election is made to recognise assessable income when the Employee Shares are issued, the assessable income will arise when a "cessation time" occurs.

Participants in the Plan will be assessed on the value of any Shares acquired as a consequence of accepting the Employee Share Offer on the date the Shares they acquire are allotted. This is because the Company has elected not to impose any restriction on the participants' rights to sell the Shares that are acquired by accepting the Employee Share Offer. The relevant law provides that the assessable income will arise when a "cessation time" occurs, which in the case of Shares that are acquired without restrictions, is at the time of their allotment. The value of the benefit (or income) is based on the difference between the amount paid by the Employee for the Share (i.e. $0.38) and the market value of the Share on acquisition. The market value on acquisition will be the Offer Price of $0.40, and for each share acquired under the scheme, each participant would be deemed to receive assessable income of $0.02.

8.4.2. Other tax issues

The information set out in Section 8.2 will also be relevant to resident Employees who acquire Shares by making applications under the Employee Share Offer. For CGT purposes, the cost base of the Shares acquired will be the Offer Price ($0.40) plus the costs, if any, associated with acquiring them.

8.5 INTENDING INVESTORS SHOULD OBTAIN THEIR OWN ADVICE

The summary set out above is a summary only and does not take into account any individual's personal circumstances.

section 9. material contracts & licences

9.1 STANDARD WHOLESALE PAS LICENSE

Although there are minor variations from contract to contract, generally the terms on which Praemium provides the PAS to its clients are as follows:

- The PAS is provided under licence to an entity which holds an AFS Licence, is the authorised representative of an AFS Licence holder, is a registered tax agent or is a company that provides administrative or back office services to any of the former;
- The terms of that licence confirm that that PAS does not provide financial product or tax advice and is not intended to be used for the purpose of making decisions in respect to investments;
- The licensee may only use the PAS:
  - to administer its clients' portfolios (or in the case of administration companies, to give investors, authorised representatives or tax advisors access to the PAS on the basis that access is provided without any advice);
  - in connection with:
    - the activities that it is authorised under the terms of its AFS Licence to provide, or
    - the preparation of tax advice;
- Each licence provides that Praemium owns all of the intellectual property rights in the PAS. This includes any future intellectual property;
- The Licensee must pay fees for the use of the PAS. Fees are generally calculated annually and charged either annually or pro-rata on a quarterly or monthly basis. Fees are generally calculated by reference to the greater of a minimum fee (which includes a minimum number of portfolios as well as access via the client's website and incorporation of its branding) or a fee calculated by reference to the number of active portfolios. The standard minimum fee is currently $5,500 per annum (inclusive of GST) for the customisation of an entry point for Praemium's clients authorised users branded with the client's logo and incorporating other requirements and licences to activate up to 25 portfolios. Additional portfolios may be activated for a standard fee of $220 (inclusive of GST) for each portfolio.
- Portfolios become active when they are rebalanced using the PAS. Rebalancing involves the process of applying Praemium's corporate action reconstruction to the portfolio to determine its current composition and value. Individual portfolio licenses can be terminated by the licensee at any time by deactivating a portfolio, however under the standard terms the licence fee is applicable to each portfolio that is active for 12 months after it is first activated;
- Praemium has obligations to maintain the integrity and confidentiality of the portfolio data that is maintained in the PAS. In most contracts, Praemium has also agreed to comply with applicable privacy laws in respect to any personal information provided to Praemium under the agreement;
- Praemium must employ generally accepted IT industry security practices and technologies in respect to the servers used in the provision of the PAS and take reasonable precautions to ensure that the system is free of viruses;
- Praemium has committed to providing certain service levels. Failure to meet these service levels could reduce the amount payable to Praemium under the licence and enable the Licensee to terminate the licence;
- In any event each licence may be terminated by either party on 30 days written notice;
- To date, Praemium's fees have not been reduced as a consequence of failure to meet any promised service level.

9.2 VARIATIONS TO THE STANDARD LICENCE

In a range of circumstances, Praemium has negotiated variations to its standard terms for clients, particularly where its expectations are that those clients will be in a position to activate large numbers of portfolios. The material variations to the standard agreements include:

- Under Praemium's agreement with Asgard, licences are granted on a monthly rather than an annual basis;
- Under Praemium's agreements with Capital Creation Pty Ltd, Citigroup Wealth Advisors Pty Ltd, Kingston Administration Services Pty Ltd, Mutual Trust Pty Ltd, Strategem Financial Group, Strategic Financial Management, and Taylor Collison Limited the licence fee is determined by reference to the total number of active licences on a specified date (being the last day of each calendar month for Asgard and the last day of each calendar quarter for Citigroup);
- The service levels that are provided under agreements with larger clients have tended to be stricter than the service levels generally offered;
- If those service levels are not met, Praemium may be required to take certain steps to rectify any defects either immediately or by the next upgrade depending on the level of defect;
- In some instances, Praemium is required to deposit source code and portfolio data in escrow with an escrow agent from time to time. In the event that Praemium ceases to provide the service or fails to rectify serious defects in it, the beneficiaries under escrow agreements have the right to access those deposited materials;
- Praemium has agreed with some clients to incorporate additional functionality or integration into the PAS. In each case the parties agree that the intellectual property in the resulting functionality is the property of Praemium.

9.3 PRAEMIUM'S MATERIAL PAS LICENCES

Praemium considers that licences granted in relation to the PAS to the following entities are material either as a consequence of the revenue generated from portfolios currently under administration in the PAS as a consequence of those contracts or their strategic value:

- ASGARD Capital Management Limited
- Capital Creation Pty Ltd
- Citigroup Wealth Advisors Pty Ltd
- Cutcher & Neale Investment Services Pty Ltd
- ETRADE Australia Securities Pty Ltd
- Gilham Financial Management Pty Ltd
- Kingston Administration Services Pty Ltd
- Mutual Trust Pty Ltd
- SHAW Stockbroking Ltd
- Strategem Financial Group
- Strategic Financial Management Pty Ltd
- Taylor Collison Limited
- Tricom Equities Ltd

9.4 RELATIONSHIP AGREEMENT & SERVICE LEVEL AGREEMENT WITH MERRILL LYNCH

Praemium's relationship with and obligations to MLIM are set out in a Relationship Agreement and a Service Level Agreement that were executed in April 2005.

The Relationship Agreement provides that the parties will develop the SMA and will have an exclusive relationship until 8 November 2008 or until there is $2.3 billion of assets held by the SMA operator. Praemium and MLIM have agreed to exclude from the calculation of the $2.3 billion any assets that are held in the SMA from certain institutions.

MLIM is required to charge an administration fee to clients who use the SMA Service. Praemium will receive a fee equal to 20% of that administration fee, excluding any amounts in respect to GST.

Under the terms of the Relationship Agreement both parties have contributed to the design and implementation of the SMA technology and structure on the basis that Praemium is the sole owner of all intellectual property that relates to the online portfolio management service operated by Praemium – essentially the technology underpinning the SMA and MLIM will own the intellectual property rights in the structure, administration and branding of the SMA service operated on Praemium's platform. If Praemium implements any functionality or change to its technology at the request of MLIM, the intellectual property rights in the resulting technology will vest in or remain with Praemium who must grant MLIM a non exclusive, non transferable and perpetual licence to use it following the end of the term. Investors should note that any such use of that intellectual property following the end of the term will require an ongoing subscription to the base service.

During the term, Praemium must make first and last offers to MLIM to purchase its intellectual property in the event it wishes to discontinue its operations or sell its intellectual property to a third person. If it sells its intellectual property to a third person, it will be required to ensure that the third person enters into agreements with MLIM that are similar to the Relationship Agreement and the Service Level Agreement.

Under the agreement, both parties have obligations to comply with applicable privacy laws and to maintain the confidentiality of confidential information.

Praemium has also agreed that during the course of the agreement it will not engage in any activity likely to compromise its ability to perform its obligations under the Relationship Agreement or the Service Level Agreement fairly and independently. Further, Praemium must disclose any activity which constitutes or may constitute a conflict of interest.

The Service Level Agreement:

- contains provisions that relate to the level of service Praemium must provide,
- sets out the system specifications;
- provides for the ownership, backup and security of data maintained in the SMA;
- provides that MLIM has the right to conduct technical audits and requires Praemium to implement the recommendations arising out of them; and
- provides that the charges under the Relationship Agreement may be adjusted in the event that service levels are not met.

The agreement contains provisions that allow for the termination of the relationship and the licence granted by Praemium in the usual commercial circumstances. In addition, MLIM may terminate the agreement if Praemium's Managing Director Arthur Naoumidis is unable to be, or no longer is, directly involved in the management of Praemium for a period of longer than 3 months and Praemium does not appoint a person who is, in the reasonable opinion of MLIM, a suitable replacement.

When the exclusive licence period ends, Praemium may incorporate its technology into a competitive SMA offering, however, it must not undertake preferential marketing and promotional activities or supply a service to a third party which is similar to the MLIM SMA Service on more favourable terms than the terms on which MLIM operates the SMA Service on using Praemium's technology and infrastructure unless it offers equivalent or lower terms to MLIM.

9.5 SYSTEM AND DATA SECURITY – AGREEMENT WITH ASSURANCE

Praemium has outsourced responsibility for its system security to Assurance Pty Ltd.

Under the agreement, Assurance is responsible for:

- the design and implementation of the internet security system;
- security testing;
- security upgrading; and
- security management;

Assurance is required to maintain the confidentiality of Praemium's information, which includes the security design and structure. In addition, Assurance is prohibited from accessing any personal information that is maintained in Praemium's system for any improper purpose. Assurance must ensure that the security services it provides are and continue to meet best practice standards and the requirements under Praemium's service levels to its clients. Further, Assurance must ensure that Praemium's equipment and software is not damaged and that data is not corrupted or lost as a consequence of its activities.

9.6 DATA CENTRES

Praemium's servers and production system are housed at data centres in Melbourne and in central Victoria. Both data centres provide security and access controls, caged housing for servers, redundancy power, and such other support and infrastructure as is generally required for the efficient and secure housing of internet based technologies. The terms of the agreements under which such services are provided are standard terms which provide appropriate and usual service levels and notice periods.

9.7 EMPLOYMENT CONTRACTS

Praemium has standard employment contracts with its staff and executives, including the executive Directors. The terms of these employment contracts ensure that any relevant intellectual property that is developed or initiated by employees is created for the benefit of Praemium and assigned in accordance with the provisions of the Copyright Act. The terms of the agreements ensure that Praemium may use and further any intellectual property created by employees however it considers appropriate.

All employees are required to maintain Praemium's confidential information and adhere to its policies.

Praemium's founder and Managing Director's contract has a term of two and a half years following Quotation and requires a 6 month notice period for termination which may only be given on or after the expiration of that term. However, Mr Naoumidis may resign on giving a shorter notice (of not less than 1 month) if any shareholder acquires a substantial percentage of the Company and as a consequence is in a position to change the nature of the Company's activities, or the focus of its business. Further, Mr Naoumidis may resign on shorter notice if he stands for election as a Director and fails to be so elected or if the Board removes him from the position of Managing Director (whether in title or in effect as a consequence of a significant change to the nature and scope of his role or authority). In addition, the agreement imposes comprehensive restraints that prohibit competition with the Company following the termination of his employment.

9.8 UNDERWRITING AGREEMENT

Pursuant to an Underwriting Agreement dated 13 April 2006 ("Underwriting Agreement") between Praemium and the Underwriter, the Underwriter has agreed to underwrite the subscription for 45,000,000 of Shares ("Underwritten Securities") pursuant to this Prospectus.

In terms of the appointment, the Underwriter has agreed to market, promote and underwrite the issue of the Underwritten Securities.

The Underwriting Agreement is conditional upon the satisfaction of the following conditions precedent:

- The Prospectus being lodged with ASIC by the lodgement date; and
- The ASX granting approval for quotation within 4 weeks following the closing date for the Offer or a date agreed by the parties.

The Company must pay to the Underwriter an underwriting fee of $766,525. In addition to the fee, the Underwriter will receive 2,000,000 Shares and reimbursement for certain costs and expenses incurred in connection with the issue and sale of the Underwritten Securities.

The Company agrees to indemnify the Underwriter and its officers, employees, agents and advisors in a range of circumstance associated with the Offer and Prospectus.

The Underwriting Agreement gives the Underwriter the right to terminate the Underwriting Agreement if certain specified events occur and it believes reasonably that the event will have a materially adverse effect from an investor's point of view on the merits or the outcome of the Offer. The specified events are:

- If the Underwriter reasonably forms the opinion that a supplementary or replacement prospectus must be lodged with ASIC and the Company does not do so in the manner reasonably required by the Underwriter.
- ASIC gives notice of intention to hold a hearing, examination, investigation or it requires information to be disclosed, in connection with the Company, the Prospectus or the issue and sale.
- A court order or an ASIC stop order is made in connection with the Prospectus or the issue and sale.
- Any Director, Chief Executive Officer, Chief Financial Officer or general manager of the Company or a related company is charged with an indictable offence relating to a financial or corporate matter.
- A person who has consented to be named in the Prospectus withdraws this consent.
- The Prospectus is withdrawn prior to all Underwritten Securities being allocated.
- The Company grants any security over the whole or a substantial part of its business or property other than a security previously disclosed to the Underwriter.
- The Company defaults under any provision of the Underwriting Agreement and the breach is incapable of remedy or is not remedied after 5 business days.
- The Company fails to repay moneys owing to an applicant within a reasonable time determined by the Underwriter.
- The Company alters its capital structure without prior written consent.
- A material contract is materially breached, terminated, altered or amended or found to be void or voidable.
- The Company takes any steps to pass any resolution under Section 260B of the Corporations Act without the prior written consent of the Underwriter
- Delays greater than fourteen days from the timetable specified in the Underwriting Agreement.
- The Company disposes of or threatens to dispose of the whole or a substantial part of its business or property or ceases or threatens to cease carrying on business without prior written consent.
- ASIC gives notice of an intention to prosecute the Company or any Director or employee of the Company and it is not withdrawn on or before the closing date.
- ASIC refuses quotation or indicates that it will refuse quotation within 4 weeks of the closing date.
- Either the All Ordinaries Index or the ASX 200 of ASX is, for three consecutive business days, at a level which is 12% or less than the level at the close of trading on the business day immediately preceding the date of the Underwriting Agreement.
- Legislation is introduced or there is an official announcement that legislation will be introduced that has altered adversely or could reasonably expected to adversely alter any condition or circumstance relating to the issue or the Prospectus or the income tax position of the Company.
- Before the closing date there is a material adverse change in the assets, liabilities, financial position, profits, losses or prospects of the Company or a related body corporate.
- Acts or omissions which could reasonably be expected to result in a materially adverse change to the Company.
- A materially adverse change or development involving a prospective materially adverse change in the financial or trading position.
- A supplementary or replacement Prospectus lodged with ASIC contains new information.
- An omission from, or a statement is, or has become false or misleading in the Prospectus.
- A new circumstance arises which would have been required under Chapter 6D of the Corporations Act to be included in the Prospectus if it arose prior to the lodgement of the Prospectus.
- A failure to comply with the Company constitution, a statute or an ASIC policy or guideline
- There is an outbreak of hostilities, or a major escalation of hostilities involving Australia, the United Kingdom or the United States of America.
- An event of insolvency occurs with respect to the Company.

If the Underwriter terminates the Agreement, the Company is not obliged to pay the Underwriter's fee but remains liable to reimburse the Underwriter for any out of pocket fees, expenses and charges incurred by the Underwriter in connection with the issue and sale of the Underwritten Securities.

The Underwriting Agreement contains many usual contractual provisions that would be expected to be found in an Underwriting Agreement in like circumstances.

section 10. additional information

10.1 INCORPORATION DETAILS

The Company was incorporated as a proprietary company under the Corporations Act on 10 October 2001. On 13 January 2006 ASIC issued a Certificate of Incorporation on conversion to a Public Company.

10.2 PRAEMIUM'S STRUCTURE

In this Prospectus a reference to Praemium is a reference to Praemium Limited and its wholly owned subsidiaries: Praemium Australia Pty Ltd ("Praemium Australia") which was incorporated in Victoria, Australia and Praemium Limited ("Praemium UK") and Praemium Portfolio Services Ltd ("PPS UK") which were both incorporated in the UK on 11 February 2005.

Praemium is in the process of restructuring its operations. It is intended that after the restructure the Australian operations will be conducted by Praemium Australia and its UK operations will be conducted by the Company's UK subsidiaries. The Company will continue to own the proprietary intellectual property which will be licensed to each relevant subsidiary. The Company will also undertake further research and development for the benefit of both the Australian and the UK businesses.

10.3 ISSUE OF SECURITIES

The power to issue Shares and other securities in the capital of the Company lies with the Board, subject to the restrictions contained in the Constitution, the ASX Listing Rules and the Corporations Act.

10.4 RIGHTS ATTACHING TO SHARES / PRAEMIUM'S CONSTITUTION.

The key provisions of the Constitution and the rights and liabilities attaching to the Shares are summarised below. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares. The provisions of the Constitution must be read subject to the Corporations Act and the ASX Listing Rules and ASTC Settlement Rules.

- **Directors** – The Constitution provides that the minimum number of Directors shall be 4 and the maximum shall be 14. There are currently 5 Directors. Directors may appoint a natural person to be a Director either in addition to existing Directors or to fill a vacancy. If they do so, then any Director so appointed (other than a Managing Director) will hold office until the next AGM when they must stand for election in order to continue as a Director. At each Annual General Meeting at least 2 (or if more than 5 Directors, one third) must stand for re-election. A Managing Director is not required to stand for re-election during the term of his or her employment. A partner, employer or employee of an auditor of the Company may not be appointed or elected as a Director.
- **Ranking** – The Shares will be ordinary shares and will rank equally in all respects with the ordinary shares in Praemium on issue prior to the date of this Prospectus. All Shares issued under this Prospectus will be credited as fully paid.
- **Reports and notices** – Members are entitled to receive all notices, reports, accounts and other documents required to be furnished to members under the Constitution of Praemium, the Listing Rules and the Corporations Act.
- **General meetings** – Subject to any preferential or special rights attaching to any shares that may be issued by Praemium in the future, members are entitled to be present in person, or by proxy, attorney or representative to speak and to vote at general meetings of Praemium. Members may requisition general meetings in accordance with the Corporations Act and the Constitution of Praemium.
- **Voting** – At a general meeting of Praemium every ordinary member present in person, or by proxy, attorney or representative shall on a show of hands have one vote and upon a poll every member present in person or by proxy, attorney or representative has one vote for every Share held. A qualification to the above is that where a person is present at a meeting as proxy or representative for more than one member then on a show of hands that person shall have only one vote and not one vote for each person represented by him.
- **Reduction of capital** – Subject to the Corporations Act and Listing Rules, Praemium may resolve to reduce its Share capital by any lawful manner as the Directors may approve.

- **Winding up** – Members will be entitled in a winding up to Share in any surplus assets of Praemium in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.
- **Transfer of Shares** – Shares in Praemium may be transferred in any form authorised by the Corporations Act or approved by the Directors and in the manner prescribed by the Constitution of Praemium, the Corporations Act, the Listing Rules or the ASTC Settlement Rules. The Directors may subject to the Listing Rules and the ASTC Settlement Rules, request the ASX to place a holding lock to prevent any transfer of Shares. The Directors may refuse to register a paper based transfer of a Share in particular circumstances. If the Directors decline the registration of a transfer, Praemium must within seven business days, or any other period prescribed by the Listing Rules, after the transfer is lodged, give the party lodging the transfer written notice of the refusal setting out reasons for the refusal.
- **Issue of further Shares** – The Directors control the allotment, issue, grant of options in respect of and disposal of Shares. Subject to restrictions on the allotment of shares and grant of options to Directors or their associates and the Corporations Act, the Directors may allot, grant options or otherwise dispose of shares on such terms and conditions as they see fit.
- **Application of Listing Rules** – On admission to the Official List of the ASX the Company must comply with the Listing Rules despite anything to the contrary in the Company's Constitution. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require a constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of that inconsistency.
- **Amendment of Praemium's Constitution** requires the approval of a special resolution of the members (that is 75% of the votes of members present and entitled to vote) in accordance with the Corporations Act. Any amendments must be consistent with the Listing Rules.
- **Small Holdings** – Praemium's Constitution contains provisions that allow it to sell a member's securities representing less than a marketable parcel. The Constitution is consistent with the Listing Rules which require (amongst other things) that the Company may only sell small holdings once in any 12 month period, written notice must be given at least 6 weeks prior to the proposed sale date and the holder may give notice that it wishes to retain its holding, the power to sell small parcels will cease to have effect if a takeover offer is made, however, the power may be reactivated after the close of offers made under the takeover, and that the costs of the sale of small parcels under this rule must be borne by the Company or the purchaser
- **Transaction Confirmation Statements** will be distributed as described in Section 2.10

A copy of the Constitution may be viewed at the Company's registered office during normal business hours.

10.5 EMPLOYEE & DIRECTORS BENEFIT PLAN

Praemium has adopted the Praemium Employee & Directors Benefit Plan (the Plan).

A copy of the Plan may be inspected at the registered office of Praemium during normal business hours by prior appointment.

10.5.1. Eligibility

Under the Plan, Praemium is entitled to issue Shares, options and/or performance rights to Directors, officers, Employees and contractors subject to such terms and restrictions as the Board identifies and at issue or exercise prices as the Board determines.

Invitations under the Plan must be made in writing and identify any restrictions to which the person accepting such an invitation will be subject under the terms of the Plan.

Options and performance rights are non-transferable. Unless otherwise determined by the Board, options will only be exercisable into Shares 3 years from the date they are granted and will lapse 10 years from that date or on the date that a participant ceases to be a Director, officer or Employee.

Performance rights will confer an entitlement to Shares at no cost upon satisfaction of certain performance criteria determined by the Board.

Shares issued pursuant to the Plan will be issued fully paid and rank equally for dividends with other Shares on or after the date of allotment. The Directors may determine the time at which quotation of any Shares issued under the plan will be sought. The Directors may also determine that Shares may be purchased on market for the benefit of participants under the Plan.

Shares, options or performance rights issued under the Plan that are subject to restrictions on disposal cannot be dealt with in any way until the restrictions have expired. However, if a takeover bid is made to acquire the whole or any number of the Shares, or a scheme of arrangement, selective capital reduction or other similar transaction is initiated that has a similar effect to a full takeover bid for all of the Shares, then the Board may in its absolute discretion lift the restrictions. The Shares that are issued under the Employee Share Offer (which has been made under the Plan) will not be subject to any restriction unless a restriction is imposed by ASX.

In the event that there is a reorganisation of the Company's capital by way of bonus issue or rights issue or on reconstruction, the numbers of options or performance rights issued under the Plan may be adjusted.

The Board must not issue any Shares, options or performance rights under the Plan if, immediately after the issue, the sum of:

- the total number of Shares issued during the preceding five years under the Plan and any other employee incentive scheme which may be adopted by the Company, plus
- the total number of unissued Shares over which options, performance rights or other options (which remain outstanding) have been granted under and any other Group employee incentive scheme, would exceed 5% of the total number of Shares on issue at the time of the proposed issue.

The Board will administer the Plan and have an absolute discretion to:

- implement procedures for the administration of the Plan;
- resolve all questions of fact or interpretation arising in respect of the Plan;
- delegate to one or more persons any powers in respect of the Plan;
- amend the rules of the Plan, provided that such amendments do not unduly prejudice the rights of existing participants.

The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Members as required by the ASX Listing Rules.

No broker's fees or commissions are payable by participants in the plan for the issue of Shares, options or performance rights under the Plan.

Participants issued Shares, options or participation rights are bound by the rules of the Plan and by the Constitution of Praemium.

In addition to the Options that will be issued to Directors under the Plan (as set out in Section 10.9.7), the Company will issue an additional 1,107,000 Options (369,000 in each of the series described in Section 10.9.7) to some of its senior staff.

A copy of the rules of the Plan will be made available to all eligible participants, free of charge, upon request to Praemium's company secretary.

10.6 MAJOR EXISTING SHAREHOLDERS

The ownership structure of Praemium at the date of this Prospectus is set out in the table below:

Shareholder Name	Shares Held
Naoumidis, Arthur & Kathy*	28,379,997
59th Shackle Pty Ltd	5,160,000
Tayco Investments Pty Ltd**	5,900,001
Ucan Nominees Pty Ltd	3,375,000
Patcheoak Pty Ltd**	4,125,000
Ornato Pty Ltd**	3,570,000
Bovingdon, Karen Louise	3,000,000
Thomas, Peter & Carla**	2,700,000
Myers, Kim**	2,580,000
Todman, Mark	2,070,000
Lodge Corporate Services Pty Ltd (or nominees)***	2,000,000
Remaining other Members	22,037,502
Total	84,540,000

*A&K Naoumidis have entered into agreement with three parties who have agreed to buy a total of (1,012,500) of Shares at $0.40 each with completion expected to occur immediately after the allotment of Shares to successful applicants under this Prospectus. None of these purchasers will be significant shareholders or top 20 shareholders as a consequence of this transaction.

**Each shareholder has entered into an agreement with a professional investor under which that investor has agreed to buy a total of (3,475,000) Shares at $0.40 each, with completion expected to occur immediately after the allotment of Shares to successful applicants under this Prospectus.

***Not allotted until the Offer Closes

10.7 DIRECTORS' REMUNERATION AND INTEREST

The Company has established a Remuneration Committee. A copy of the charter of the Remuneration Committee which sets out its role, and the roles, rights, responsibilities and membership requirements for that committee, will be available on Praemium's website before the Opening Date.

The Company does not pay any Directors fees to executive Directors. Non-executives will receive an annual fee (inclusive of superannuation) of $45,000, and the Chairman will receive a fee of $70,000 (inclusive of superannuation). The Company's Constitution provides that Directors are entitled to such remuneration out of the funds of Praemium as the Directors determine, however, the Listing Rules require that the members approve Directors' remuneration in aggregate and the Corporations Act requires reporting of the remuneration of Directors and senior executives.

Praemium has entered into an employment contract with Mr Arthur Naoumidis in his capacity as Managing Director and with Christine Silcox in her capacity as an Executive Director responsible for operations. The agreements set out the total employment costs including all salary, non-salary benefits and superannuation payable by Praemium. The salary packages of the Managing Director and Executive Director are currently set at $300,000 and $150,000 per annum respectively. In addition, each may become entitled to bonuses on achievement of KPIs of up to 30% and 20% of the total employment cost respectively, and the Board may also award discretionary bonuses. Please also refer to Section 9.7 for further information in relation to the Managing Director's employment contract.

The remuneration paid to Directors cannot be by commission on, or a percentage of, profits or operating revenue. Directors may also be reimbursed for their expenses properly incurred as a Director in connection with the affairs of Praemium.

Subject to compliance with the Corporations Act and the Listing Rules, Directors may be paid fees or other amounts as the Board determines where a Director performs extra services which, in the opinion of the Board, are outside of the ordinary duties of a Director, having regard to the value to Praemium of the extra services or special exertions.

Directors are entitled to participate in the Employee Share Offer.

10.8 CORPORATE GOVERNANCE

The Directors are responsible for the strategic direction of Praemium, the identification and implementation of corporate policies and goals, and monitoring of the business and affairs of Praemium on behalf of its members.

Praemium is cognisant of the Principles of Good Corporate Governance and Best Practice Recommendations as published by ASX Corporate Governance Council and acknowledges that the 10 principles set out therein are fundamental to good corporate governance. The Board will comply with ASX Listing Rule 4.10 which requires Praemium to provide a statement in its annual return disclosing the extent to which those best practice recommendations are followed in any reporting period and to identify any recommendations not followed and provide reasons for their not being followed.

The Board believes that the structure of Praemium, its management and business practices provide a basis of governance which meets the essential corporate governance principles articulated by ASX in that publication.

One of the key objectives of the Board is to ensure timely, transparent and accurate communication with all members and compliance with all regulatory requirements. To this effect the Board has established a number of Committees.

The Board has formally adopted a Corporate Governance Policy for Praemium.

Under this Policy, the Board has established:

- an **Audit, Risk & Compliance Committee** whose primary function will be to give additional assurance regarding the quality and reliability of financial information used by the Board and financial information provided by Praemium pursuant to its statutory reporting requirements and ongoing assessment of such risks confronted by Praemium. In addition, this committee is responsible for ongoing assessment of all risks and compliance issues faced by Praemium;
- a **Remuneration Committee** to review and report to the Board on matters concerning executives' and Directors' remuneration, and which will also regularly review and consider the composition of the Board to ensure that the Board has an appropriate mix of expertise and experience and to assess and review the performance of the Directors of Praemium.

10.9 INTERESTS OF DIRECTORS & EXPERTS

Except as disclosed in this Prospectus:

- no Director or proposed Director:
  - holds or has held at any time during the last two years from the date of the Prospectus any interest in the formation or promotion of Praemium, in any property acquired or proposed to be acquired by Praemium in connection with the formation or promotion of Praemium or the Offer or the Offer itself;
  - has been paid or agreed to be paid any amount, or has been given or agreed to receive any other benefit either to induce him to become, or to qualify as, a Director or proposed Director of Praemium or for services provided by him in connection with the formation or promotion of Praemium or the Offer;
- no expert, or firm in which any expert is a partner or other person named in the Prospectus as performing a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, any promoter of Praemium or the Underwriter:
  - holds or has held at any time during the last two years from the date of the Prospectus any interest in the formation or promotion of Praemium, in any property acquired or proposed to be acquired by Praemium in connection with the formation or promotion of Praemium or the Offer or the Offer itself;
  - has been paid or agreed to be paid any amount, or has been given or agreed to receive any other benefit for services provided by them in connection with the formation or promotion of Praemium or the Offer;

10.9.1. Auditor & Independent Expert

In accordance with the terms of its engagement, William Buck (Vic) Pty Ltd has prepared its Independent Accountants Report which forms part of this Prospectus. In aggregate, William Buck (Vic) Pty Ltd will be paid $35,000 (plus GST) for services performed in connection with the Offer, and may receive further payments in accordance with its normal time based charges.

10.9.2. Lawyers

In accordance with the terms of its engagement, Phillips Fox as Legal Advisors for Praemium will be paid $70,000 (plus GST) for services provided in connection with this Offer and may receive further payments in accordance with its normal time based charges.

In accordance with the terms of her engagement, Cathryn Nolan (trading as NolanLegal) as Legal Advisor to Praemium will be paid $60,000 (plus GST) for services provided in connection with this Offer and may receive further payments in accordance with normal time based charges.

10.9.3. Underwriter

Lodge Corporate Services Pty Limited has acted as Underwriter and Broker to the Offer. Praemium will pay the Underwriter the fees and other consideration set out in Section 9.8.

10.9.4. Executive Directors

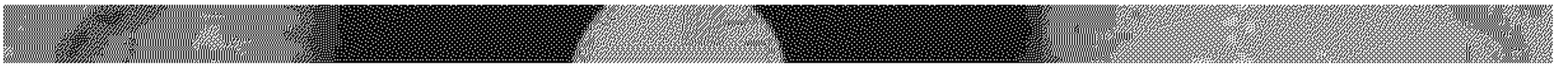
Arthur Naoumidis and Christine Silcox are the only executive Directors.

Mr Naoumidis is employed under the terms of the employment agreement described in Section 9.7 and is a beneficiary of the Naoumidis Trust. Kathy & Arthur Naoumidis as trustee of the Naoumidis Trust have shareholdings in Praemium as set out below.

Ms Silcox is employed under the terms of the employment agreement described in Section 9.7 and has shareholdings in Praemium as are set out below. Ms Silcox will be allotted 297,000 Options on the Closing Date as set out below.

10.9.5. Non-Executive Directors

The non-executive Directors each hold Shares, either directly or through associated entities, as set out below. They are also entitled to receive non-executive Directors' fees as identified in Section 10.7.



10.9.6. Directors' Shareholdings

The Directors have the following interests in the equity of Praemium:

Director Name	Holds an interest in:
Dr Don Stammer	1,500,000 Shares
Mr Arthur Naoumidis (1)	28,379,997 Shares
Mr Robert Edgley (2)	1,200,000 Shares
Mr Malcolm Taylor (3)	5,900,001 Shares
Ms Christine Silcox	1,100,000 Shares

(1) Held by Kathy & Arthur Naoumidis, as trustee of the Naoumidis Trust. K&A Naoumidis have entered into an agreement with three parties to sell 1,012,500 Shares. On completion of that transfer, which is expected to happen on the day after Shares are alloted pursuant to this Offer, K&A Naoumidis will hold 27,367,497 Shares;

(2) Held by Rangeworthy Pty Ltd as trustee of the Edgley Family Trust; and

(3) Held by Tayco Investments Pty Ltd as trustee of the Chargrove Trust. Tayco Investments Pty Ltd has entered into an agreement with a professional investor to sell 1,475,000 Shares. On completion of that transfer, which is expected to happen on the day after Shares are allotted pursuant to this Offer, Tayco Investments will hold 4,425,001.

10.9.7. Director's Options

Directors will hold the following Options:

Director	Series 1	Series 2	Series 3	Total
Dr Don Stammer	162,000	162,000	162,000	486,000
Mr Robert Edgley	135,000	135,000	135,000	405,000
Mr Malcolm Taylor	135,000	135,000	135,000	405,000
Ms Christine Silcox	99,000	99,000	99,000	297,000
Directors Option	**531,000**	**531,000**	**531,000**	**1,593,000**

- The Options will be allotted on the Closing Date.
- Each Option entitles the holder to purchase one fully paid ordinary Share in Praemium upon payment of the exercise price (which is set out following).
- The Options granted will be allotted in 3 series, each having a different exercise price, vesting date and expiry date. Each recipient of options will receive one third of their allotment as series 1, one third as series 2 and one third as series 3 options. The differences between the series are outlined as follows:

1st Series
Exercise Price: \$0.50 (being a premium to the Offer Price of 25%)
Vesting Date: 12 months after listing
Expiry Date: 24 months after listing

2nd Series
Exercise Price: \$0.62 (being a premium to the Offer Price of 54%)
Vesting Date: 24 months after listing
Expiry Date: 36 months after listing

3rd Series
Exercise Price: \$0.78 (being a premium to the Offer Price of 95%)
Vesting Date: 36 months after listing
Expiry Date: 48 months after listing

- The Options may only be exercisable after the vesting date and prior to the expiry date if the volume weighted average price at which Praemium shares are traded on market for a period of 10 trading days or more is greater than the exercise price.
- There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue assuming they have vested at that time.
- If at any time the issued capital of Praemium is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the ASX Listing Rules.

10.9.8. Deeds of Access, Indemnity and Insurance

Praemium has executed a deed of access, indemnity and insurance in favour of each Director.

Under the deeds, Praemium indemnifies the Directors in respect of liabilities incurred in connection with holding office, to the extent permitted by the Corporations Act. Praemium is also obliged to arrange insurance cover for the Directors, which is in the process of being arranged, and provide the Directors with access to Board papers.

10.9.9. Indemnity under the Constitution

Under its Constitution, Praemium must, subject to certain exceptions, indemnify each of its Directors to the extent permitted by law against liability that did not arise out of a lack of good faith.

10.10 LITIGATION

There is no litigation commenced or threatened against Praemium.

10.11 CONSENTS TO BE NAMED

The Company has authorised and caused the issue of this Prospectus. The Company and the Directors are wholly responsible for its contents.

None of the parties referred to below has made, or has purported to make, any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below. Each of these parties, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements or omissions from this Prospectus, other than a reference to its name and a statement or report included in this Prospectus with the consent of that party as specified below.

10.11.1. Lodge Corporate Services Pty Ltd

Lodge Corporate Services Pty Ltd has given and not withdrawn its written consent to be named herein as the Underwriter for the Offer in the form and context in which it is so named. Lodge Corporate Services Pty Ltd does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus other than as required by law.

10.11.2. William Buck

William Buck (Vic) Pty Ltd has given, and at the time of lodging this Prospectus has not withdrawn, its consent to be named in this Prospectus as an Independent Accountant to Praemium in relation to the Offer and to the inclusion of the Independent Accountant's Report on Historical Information in Section 5 in the form and context in which this report appears (and to the references in this report) but does not otherwise make or purport to make any statement in this Prospectus, nor has it authorised or caused the issue of any other part of this Prospectus.

William Buck has given, and at the time of lodging this Prospectus has not withdrawn, its consent to be named in this Prospectus as Auditor of Praemium in the form and context in which it has been named in this Prospectus in particular, where accounts are said to have been audited.

10.11.3. Phillips Fox

Phillips Fox has given and not withdrawn its written consent to be named herein as legal advisors to Praemium in the form and context in which it is so named. Phillips Fox has only participated in the preparation of this Prospectus to the extent of preparing Sections 8 and 9.8 and does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus other than as required by law.

10.11.4. NolanLegal

Cathryn Nolan, trading as NolanLegal, has given and not withdrawn her written consent to be named herein as legal advisor to Praemium in the form and context in which it is so named. NolanLegal has only participated int he preparation of this Prospectus to the extent of preparing Sections 9 and 10. NolanLegal does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus other than as required by law.

10.11.5. Link Market Services Limited

Link Market Services Limited has given and not withdrawn its written consent to be named herein as Share registry to Praemium in the form and context in which it is so named. Link Market Services Limited does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus other than as required by law.

10.11.6. Praemium's Clients

Certain clients named on pages 18-19 have given and not withdrawn their written consent to be named herein as clients of Praemium in the form and context in which they are so named. None of these parties makes, or purports to make, any statement in this Prospectus and none are aware of any statement in this Prospectus which purports to be based on a statement made by it and none make any representation, expressed or implied, regarding or takes any responsibility for, any statements in or omissions from this Prospectus other than as required by law.

10.12 CASH EXPENSES OF THE OFFER

The total estimated cash expenses of the Offer, including underwriting, accounting and legal fees incurred, registration fees, fees for other advisors, prospectus design, printing and advertising expenses and other miscellaneous expenses, is approximately $1,240,000.

10.13 PRIVACY

When making an Application, Applicants will be required to provide personal information to Praemium and the Registry. Praemium and the Registry will collect, hold and use an Applicant's personal information in order to assess the Application, service the Applicant's needs as an investor, provide facilities and services that an Applicant requests and carry out appropriate administration.

Company and tax law requires some of the information to be collected. If an Applicant does not provide the information requested, the Application may not be able to be processed efficiently, or at all.

Praemium and the Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- the Underwriter in order to assess the Application;
- the Registry for on-going administration of the register;
- the printers and the mailing house for the purpose of preparation and distribution of statements and for handling of mail; and
- if applicable, Praemium in order to verify that an investor qualifies as an eligible employee.

If an Applicant becomes a shareholder, the Applicant's information may also be used or disclosed from time to time to inform the Applicant about Praemium's products or services that Praemium thinks may be of interest to the Applicant. If an Applicant does not want personal information to be used for this purpose, the Applicant should contact Praemium in writing at its registered office.

The information may also be disclosed to its agents and service providers on the basis that they deal with such information in accordance with Praemium's privacy policy.

Under the Privacy Act 1988 (Cth), an Applicant may request access to personal information held by (or on behalf of) Praemium or the Registry. An Applicant can request access to personal information by telephoning or writing to Praemium.

section 11. glossary of terms

$ or A$
Australian dollars

£ or GBP
Great Britain Pounds, the currency of the UK

US$ or USD
United States dollars

Active Portfolio
A Portfolio that is recorded in the PAS in respect of which a reconstruction has been performed

Applicant
A person who makes an application for Shares by completing an Application Form

Application Form
The form accompanying or attached to this Prospectus by which an Applicant may apply for Shares

Asgard
Asgard Capital Management Limited
ACN 009 279 002

ASIC
Australian Securities and Investments Commission

ASTC
ASX Settlement and Transfer Corporation Pty Ltd ABN 008 504 532 approved as a securities clearing house under the Corporations Act

ASX
Australian Stock Exchange Limited
ACN 000 624 691

ASX Listing Rules (or Listing Rules)
The official Listing Rules of ASX as they apply to the Company from time to time

ASTC Settlement Rules
The operating rules (however described) of ASTC

Board
The Company's board from time to time

Business Day
A day that is not Saturday or Sunday or a public holiday in Victoria, Australia

Capital Gains Tax (CGT)
Tax imposed on capital gains

CHESS
Clearing house electronic sub-register system

Closing Date
The day on which the Offer closes

Commission
Fee payable as an incentive to a salesperson, usually based on the value of the goods or services sold

Company or Praemium Limited
Praemium Ltd
ACN 098 405 826

Constitution
The constitution of the Company

Corporate Actions
Any action that impacts on a security that is recorded in a portfolio, including but not limited to share splits or consolidations, dividend issues, dividend reinvestments, rights issues, placements

Corporations Act
Corporations Act 2001 (Cth)

Custodial Services
The services provided by a Custodian which include the holding of assets, collecting income and reporting

Custodian
An entity responsible for the Custody of assets of a managed investment scheme

Custody
The retention of assets on behalf of a managed investment

Directors
The Directors of the Company from time to time

Employee
Any employee of, or contractor to, Praemium

Employee Application Form
The Application Form accompanying this Prospectus and provided to Employees

Employee Application Price
$0.38 per Share

Employee & Directors Benefits Plan (Plan)
The Plan established by Praemium to assist in retention and motivation of Directors and Employees, under which Shares, options and performance rights can be issued

Employee Share Offer
The offer of Shares under this Prospectus to Employees and Directors made pursuant to the Employee & Directors Benefits Plan

Escrow
A restriction on the voluntary or mandatory right to dispose of a Share;

Exchange
ASX, or such other body corporate that is declared by the Directors to be the Company's primary stock exchange for the purposes of its Constitution

Existing Investors
Those persons who hold Shares at the date of this Prospectus

Existing Shares
Issued Shares immediately prior to the allotment of Shares under the Offer

Exposure period
The period of at least 7 days and up to 14 days after the Prospectus has been lodged with ASIC during which Applications must not be processed in accordance with s 727(3) of the Corporations Act

Group
Praemium Limited and its wholly owned subsidiaries;

Issue Price
The price at which a Share is issued

IT
An acronym referring to 'information technology'

Management Expense Ratio (MER)
The expenses of a fund (management, administration, trusteeship) as a proportion of the funds net asset value

Master Trust
A structure which groups together a number of funds under a single master trust deed and provides professional administration for all the funds under the deed, with each fund having access to a wide range of investment, benefit design and insurance options according to its needs

Merrill Lynch
Merrill Lynch and Co, Inc (including its US operating Group companies)

MLIM
Merrill Lynch Investment Managers Limited ACN 006 165 975

Member
A person who holds Shares in the Company

Offer
The Offer of Shares in the capital of the Company made pursuant to this Prospectus

Offer price
$0.40 per Share (or, in the case of the Employee Share Offer, $0.38)

Official List
The Official List of ASX

Official Quotation
Official quotation of the Shares on the Official List

Opening Date
The date the Offer opens

Options
Options to acquire Shares in the Company which have been issued on the terms described in Section 10.9.7

PAS
An acronym referring to Praemium's portfolio administration service

Platforms
Custody based platforms for managing investments

Portfolio
A collection of data relating to the investments of one legal entity which is maintained in the PAS

PPS UK
Praemium Portfolio Services Limited, a company incorporated in the United Kingdom which is wholly owned by the Company

Praemium
Praemium Ltd ACN 098 405 826 and each of its wholly owned subsidiaries

Praemium Australia
Praemium Australia Pty Ltd ACN 117 611 784, a company incorporated in Victoria Australia which is wholly owned by Praemium

Praemium UK
Praemium Limited, a company incorporated in the United Kingdom which is wholly owned by the Company

Prospectus
This document dated 13 April

Quotation
Official quotation of the Shares on the Official List

Registrar
Link Market Services Limited

Separately Managed Account (SMA)
An acronym that is widely used to describe various legal models for providing separately and individually managed accounts. Generally in this Prospectus a reference to an SMA is a reference to an SMA established as a managed investment scheme

Share
An ordinary share in the capital of the Company

SIPPS
An acronym used in the UK to mean Self Invested Personal Pension Scheme (which is analogous to Australia's SMSF)

SMSF
Self Managed Super Fund

Underwriter
Lodge Corporate Services Pty Ltd

Underwriting Agreement
The agreement dated the same date as this Prospectus between the Underwriter and the Company to underwrite the Offer

Virtual Wrap
An administration platform that provides administration, reporting and tax efficiencies without the requirement for custodial services

White Label / White Labelling
A process under which generic product or service can be provided under a range of different brands under a contractual arrangement. For example:

- the PAS is provided by Praemium for the benefit of its clients under the branding of those clients. This involves ensuring that the clients own clients can access it using the Internet from the clients' website and that it appears with the logos, trademarks, badging and colour scheme of the client;
- the SMA is offered, using Praemium's technology, by MLIM to other licensed parties who may offer the same or different investment models, for access via the clients website and ensure that the SMA is displayed to their clients with their own branding, logos, trademarks, badging and colour schemes

Wrap
Platform that provides administration, reporting and tax efficiencies for the pooling of investments via managed investment schemes involving custodial services

section 12. authorisation

This Prospectus is issued by the Company. Its issue was authorised by a resolution of the Board on 13 April.
Every Director of Praemium has given, and has not withdrawn, before the Prospectus Date, their consent to the lodgement of this Prospectus with ASIC and the issue of this Prospectus in accordance with Section 720 of the Corporations Act.

Arthur Naoumidis
Managing Director
Praemium Limited

Pin cheque(s) here (do not staple)

præmium portfolio services

Praemium Ltd
ACN 098 405 826

Broker Code | Adviser Code

Offer Application Form

This is an Application Form for Shares in Praemium Ltd under the Offer on the terms set out in the Prospectus of Praemium Ltd dated 13 April 2006. You may apply for a minimum of 5,000 Shares and multiples of 500 Shares thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (Melbourne time) on the Closing Date.**

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Praemium Ltd Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Praemium Ltd Prospectus carefully before applying for Shares. This Application Form must not be distributed unless included in, or accompanied by, the Praemium Ltd Prospectus.

Shares applied for | Price per Share | Application Money

A at **A$0.40** **B A$**

(minimum 5,000 Shares, thereafter in multiples of 500 Shares)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant Surname/Company Name

C

Title | First Name | Middle Name

Joint Applicant #2 Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

PLEASE COMPLETE ADDRESS DETAILS

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

D

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

E X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored subregister.

Telephone Number where you can be Contacted during Business Hours | Contact Name (PRINT)

F

Cheques or bank drafts must be made payable to **"Praemium Limited Share Offer"** in Australian currency and crossed "Not Negotiable".

Cheque or bank draft Number | BSB | Account Number

G -

LODGEMENT INSTRUCTIONS You must return your application so it is received before 5:00pm (Melbourne time) on the Closing Date to:

Praemium Ltd Share Offer, C/- Link Market Services Limited, GPO Box 2785, Melbourne Vic 3001;
Praemium Ltd Share Offer, C/- Link Market Services Limited, Level 4, 333 Collins Street, Melbourne Vic 3000; *or*
Praemium Ltd Share Offer, Lodge Corporate Services Pty Ltd, Level 5, 60 Collins Street, Melbourne Vic 3000.

If you have received the Praemium Ltd Prospectus electronically, by submitting this Application Form you declare that you have personally received a complete and unaltered copy of the Praemium Ltd Prospectus prior to completing this Application Form.

PPS IPO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Praemium Ltd ("Praemium") Shares. Further details about the Shares are contained in the Praemium Ltd Prospectus dated 13 April 2006 issued by Praemium Ltd. The Praemium Ltd Prospectus will expire on 12 May 2007. While the Praemium Ltd Prospectus is current, Praemium Ltd will send paper copies of the Praemium Ltd Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investment Commission requires that a person who provides access to an electronic Application Form must provide access, by the same means and at the same time, to the relevant Praemium Ltd Prospectus. This Application Form is included in the Praemium Ltd Prospectus.

The Praemium Ltd Prospectus contains Important Information about investing in the Shares. You should read the Praemium Ltd Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 5,000 Shares and thereafter in multiples of 500 Shares. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by \$A0.40. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Please enter your postal address for all correspondence. All communications to you from Praemium Ltd and the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Praemium Ltd's issuer sponsored subregister.

F Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

G Please complete the details of your cheque or bank draft in this section. The total amount should agree with the amount shown in section B.

Make your cheque or bank draft payable to **"Praemium Limited Share Offer"** in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected. Pin (do not staple) your cheque or bank draft to the Application Form where indicated.

If you receive a firm allocation of Shares from your Broker make your cheque payable in accordance with your Broker's instructions.

By lodging the Application Form, you consent to become a shareholder of Praemium Ltd and agree that this application for Shares is upon and subject to the terms of the Praemium Ltd Prospectus and the constitution of Praemium Ltd. You further declare that all details and statements made in this Application Form are complete and accurate.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (Melbourne time) on the Closing Date at:

Praemium Ltd Share Offer C/- Link Market Services Limited GPO Box 2785 Melbourne Vic 3001	*or*	Praemium Ltd Share Offer C/- Link Market Services Limited Level 4, 333 Collins Street Melbourne Vic 3000	*or*	Praemium Ltd Share Offer Lodge Corporate Services Pty Ltd Level 5, 60 Collins Street Melbourne Vic 3000

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a shareholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold Shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application.

Pin cheque(s) here (do not staple)

praemium portfolio services

Praemium Ltd
ACN 098 405 826

Broker Code | Adviser Code

Employee Offer Application Form

This is an Employee Application Form for Employee Shares in Praemium Ltd under the Employee Offer on the terms set out in the Praemium Ltd Prospectus dated 13 April 2006. You may apply for a minimum of 5,000 Shares and multiples of 500 Shares thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm on the Closing Date**.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Praemium Ltd Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Praemium Ltd Prospectus carefully before applying for Shares. This Application Form must not be distributed unless included in, or accompanied by, the Praemium Ltd Prospectus.

Shares applied for | Price per Share | Application Money

A at **A$0.38** **B A$**

(minimum 5,000 Shares, thereafter in multiples of 500 Shares)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C

Applicant Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2 Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

PLEASE COMPLETE ADDRESS DETAILS

D

P.O Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

E

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored subregister.

F

Telephone Number where you can be Contacted during Business Hours | Contact Name (PRINT)

Cheques or bank drafts must be made payable to **"Praemium Limited Employee Share Offer"** in Australian currency and crossed "Not Negotiable".

G

Cheque or bank draft Number | BSB - | Account Number

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm on the Closing Date to:

Praemium Ltd Employee Share Offer, Cathryn Nolan, Company Secretary, Level 1, 406 Collins Street, Melbourne Vic 3000.

If you have received the Praemium Ltd Prospectus electronically, by submitting this Application Form you declare that you have personally received a complete and unaltered copy of the Praemium Ltd Prospectus prior to completing this Application Form.

PPS EMP001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Praemium Ltd ("Praemium") Shares. Further details about the Shares are contained in the Praemium Ltd Prospectus dated 13 April 2006 issued by Praemium Ltd. The Praemium Ltd Prospectus will expire on 12 May 2007. While the Praemium Ltd Prospectus is current, Praemium Ltd will send paper copies of the Praemium Ltd Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investment Commission requires that a person who provides access to an electronic Application Form must provide access, by the same means and at the same time, to the relevant Praemium Ltd Prospectus. This Application Form is included in the Praemium Ltd Prospectus.

The Praemium Ltd Prospectus contains Important Information about investing in the Shares. You should read the Praemium Ltd Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 5,000 Shares and thereafter in multiples of 500 Shares. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by $A0.38. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Please enter your postal address for all correspondence. All communications to you from Praemium Ltd and the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Praemium Ltd's issuer sponsored subregister.

F Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

G Please complete the details of your cheque or bank draft in this section. The total amount should agree with the amount shown in section B.

Make your cheque or bank draft payable to **"Praemium Limited Employee Share Offer"** in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected. Pin (do not staple) your cheque or bank draft to the Application Form where indicated.

By lodging the Application Form, you consent to become a shareholder of Praemium Ltd and agree that this application for Shares is upon and subject to the terms of the Praemium Ltd Prospectus and the constitution of Praemium Ltd. You further declare that all details and statements made in this Application Form are complete and accurate.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm on the Closing Date at:

Praemium Ltd Employee Share Offer
Cathryn Nolan
Company Secretary
Level 1, 406 Collins Street
Melbourne Vic 3000

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a shareholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold Shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application.

corporate directory

DIRECTORS
Dr Donald Stammer (Chairman)
Arthur Naoumidis (Managing Director)
Robert Edgley
Malcolm Taylor
Christine Silcox

COMPANY SECRETARY
Cathryn Nolan

REGISTERED OFFICE
Level 1, Praemium House, 406 Collins Street, Melbourne Victoria 3000

UNDERWRITER AND LEAD BROKER TO THE ISSUE
Lodge Corporate Services Pty Ltd, Level 5, 60 Collins Street, Melbourne Victoria 3000

LAWYERS TO THE ISSUE
Phillips Fox, 140 William Street, Melbourne Victoria 3000
NolanLegal, Suite 311, 530 Little Collins Street, Melbourne Victoria 3000

INDEPENDENT ACCOUNTANTS
William Buck (Vic) Pty Ltd, Level 2, 215 Spring Street, Melbourne Victoria 3000

COMPANY AUDITORS
William Buck, Level 2, 215 Spring Street, Melbourne Victoria 3000

SHARE REGISTRY
Link Market Services Limited, Level 4, 333 Collins Street, Melbourne Victoria 3000

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