



Fully Underwritten Rights Issue to raise \$2.775 million

15 October 2009

Further to its announcement on 12 October 2009, Praemium Limited ("**Praemium**") is pleased to announce further details in respect to its fully underwritten Non-Renounceable Rights Issue ("**Rights Issue**") providing the opportunity for eligible shareholders to acquire new shares in the Company at the same price (\$0.15) as its recent private placement pursuant to which Praemium raised \$3.675million.

Under the Rights Issue, eligible shareholders will be able to subscribe for 1 New Share in the Company for every 10 fully paid ordinary shares held on the Record Date. The Directors have reserved the right to place any shortfall under the Rights Issue in accordance with Listing Rule 7.2 Exception 3, and accordingly eligible shareholders who take up their entitlement in full may also apply for additional new shares in excess of their entitlement. However, additional new shares will only be allocated to eligible shareholders, if there are new shares available from eligible shareholders who do not take up their full entitlement or from new shares that would have been offered to ineligible shareholders if they had been entitled to participate in the Rights Issue, subject to any allocation policy and scale back that Praemium may, in its absolute discretion, apply.

On completion of the placement of any shortfall by the underwriter, approximately 18.5 million new shares will be issued to raise \$2.775 million.

Following their successful facilitation of the Placement, Shaw Corporate Finance Pty Limited is Lead Manager and Underwriter to the Rights Issue.

The new shares will be offered to Praemium shareholders who are registered at 7.00pm (Melbourne time) on 23 October 2009 ("**Record Date**") and whose registered addresses are in Australia or New Zealand ("**Eligible Shareholders**"). The new shares will rank equally with existing shares and Praemium will apply for official quotation of the new shares on the Australian Securities Exchange (ASX).

The Entitlement and Acceptance Form for the Rights Issue together with a Rights Issue Entitlement Offer Booklet (the "Offer Document") will be despatched to Eligible Shareholders on or around 27 October 2009. Details of the terms and conditions of the Rights Issue and underwriting arrangements are contained in the Offer Document.

The offer closes at 5.00pm (Melbourne time) on 11 November 2009. Valid acceptances must be received before that time.

A timetable for the Rights Issue is attached and further details of the potential capital structure of Praemium following completion of the Placement and the Rights Issue and the possible shareholdings of significant shareholders are set out in the attached notice titled "Additional Information".

For further information please contact: Mr Arthur Naoumidis, Group CEO,
03 8622 1233

About Praemium: Præmium Ltd (ASX:PPS) is one of Australia's leading suppliers of online financial portfolio administration and Separately Managed Account (SMA) technology, administering more than AUD 36 billion of assets. Præmium currently provides services to around 500* financial institutions and intermediaries, including some of Australia's largest financial institutions.

*As at 30 September 2009

PROPOSED TIMETABLE

Event	Date
Initial announcement of Rights Issue and lodgement of Appendix 3B	15 October 2009
Despatch of notices to shareholders informing them of Rights Issue including ineligible holders	16 October 2009
Shares quoted on ex-entitlement basis	19 October 2009
Record Date for determining entitlements	23 October 2009
Rights Issue Offer Opens	27 October 2009
Despatch of Rights Issue Offer Document and Entitlement and Acceptance Form	27 October 2009
Rights Issue Closing Date	11 November 2009
New shares quoted on a deferred settlement basis	12 November 2009
Company notifies ASX of under subscriptions under Rights Issue	16 November 2009
Anticipated date for allotment and issue of New shares under Rights Issue	19 November 2009

This Timetable is indicative only and subject to change. The Directors of the Company reserve the right to vary these dates, including the Closing Date without prior notice, in accordance with the ASX Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the New Shares.

The Directors of the Company also reserve the right not to proceed with the whole or part of the offer under the Rights Issue any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to Applicants.

ADDITIONAL INFORMATION

Praemium advises that:

1. Praemium will offer shares under the Rights Issue without disclosure to investors under Part 6D.2 of the Corporations Act as modified by Australian Securities and Investments Commission Class Order 08/35;
2. a notice will be given, at the relevant time, under section 708AA(2)(f) of the Corporations Act;
3. as at the date of this announcement, Praemium has complied with:
 - 3.1. the provisions of Chapter 2M of the Corporations Act as they apply to Praemium; and
 - 3.2. section 674 of the Corporations Act; and
4. as at the date of this announcement, other than as set out in this notice (under the heading "Excluded Information"), there is no information:
 - 4.1. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules (Excluded Information); and
 - 4.2. that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Praemium; or
 - (b) the rights and liabilities attaching to the new Shares.
5. the potential effect that the issue of new shares will have on Praemium, and the consequences of that effect, will depend on a number of factors. However, given the structure of the rights offer as a pro-rata issue and the fact that (based on substantial holding notices that have been lodged on or prior to the date of this notice), no Praemium shareholder has voting power exceeding 20% of Praemium's issued shares, the issue is not expected to have any material effect or consequence on the control of Praemium.
6. Eligible shareholders are advised that their shareholding in Praemium will be diluted if they do not take up their full entitlement under the Rights Issue.
7. The capital structure before and after the Rights Issue is set out below:

Issued Shares	Number of Shares
Total issued capital of Praemium at the record date for the rights issue	187,791,030
Number of new Shares offered under the Rights Issue including any shortfall shares and subject to rounding	18,779,103
Total issued capital of Praemium at completion of Rights Issue assuming maximum number of new Shares under the Rights issue are issued	206,570,133

Excluded Information

As set out in the Remuneration Report contained in its recently released Annual Report, Praemium is in the process of reviewing its remuneration policies and considering its executive remuneration practices for the next 12 months. Whilst the details have not yet been finalised, the following on update on information previously considered Excluded Information, is given:

1. Under the Company's current employee share plan (the Praemium Directors and Employee Benefits Plan (Plan)):
 - (a) up to 800,000 shares will be offered to staff in Australia and the UK for no cash consideration. All permanent staff (excluding directors) will be eligible to participate in this offer. The maximum number of shares that will be offered to any one staff member is 10,000.; and
 - (b) up to a total of 1.4 million options over ordinary shares to acquire additional shares in the capital of Praemium (on a one for one basis) at an exercise price to be determined (and which will represent a premium to the 5 day volume weighted trading price of Praemium's ordinary shares at the time that they are offered) will be offered to certain staff (excluding directors). Those options may vest on a date to be determined (after the Company's AGM and prior to 1 January 2010) and would expire 2 years after the date on which they vest.
2. Praemium's Remuneration Committee is in the process of finalising its recommendation to the Praemium Board of Directors with respect to a proposal to increase the issue limitation of securities that may be issued under the Plan, and which will be subject to Shareholder approval at the 2009 Annual General Meeting (expected to be held on 23 November 2009). An increase to this limitation will assist Praemium to attract and retain key senior executives in Australia and the UK, manage future cash employee costs and promote achievement against performance targets that are within these executives' influence. It is envisaged that any performance rights to be issued would vest periodically over a period of at least 3 years and will be conditional on achievement of key performance indicators (KPIs) set having regard to both individual and corporate targets as approved by the Board (such targets including achievement of significant revenue growth and EBITDA improvements annually). Should shareholders approve the increased issue limitation, it is expected that the maximum number of shares that may be issued each year from the conversion of key executive performance rights would average in the order of 3.3mil over the next 3 years. If approved by shareholders the issue of any performance rights would be as an extension to Praemium's remaining capacity to issue securities under the currently existing Plan. There is no intention to award performance rights to Executive Directors in the current financial year. Any future award of performance rights to Executive Directors would be subject to Shareholder approval.