Praemium Limited FY2011 Results Presentation

Michael Ohanessian (CEO)

August 2011

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Agenda

Group Overview

FY2011 Summary

Forward Plan

Questions

Group Overview

Who we are

Software developer of investment portfolio administration technology to the financial services industry

Founded in 2001 by Arthur Naoumidis

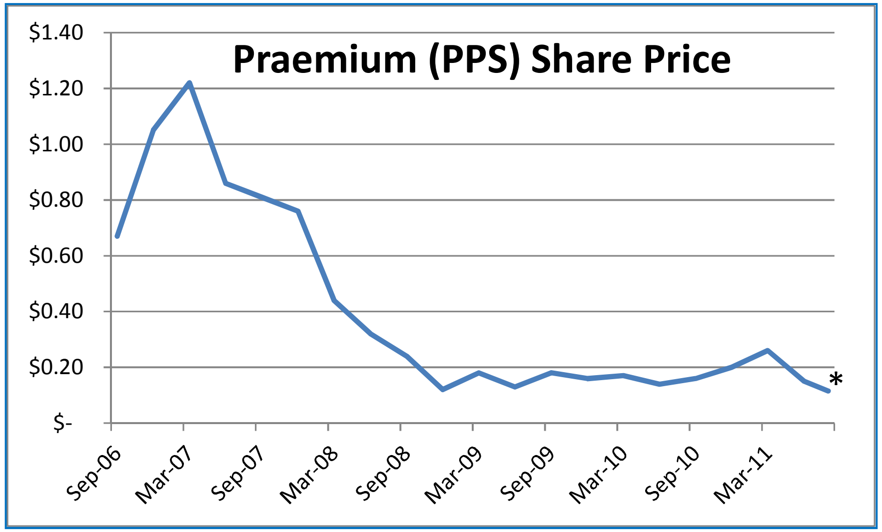
Listed on Australian Stock Exchange in 2006 to fund entry into the UK market

Offices in Melbourne and London, and now Jersey (following recent approval to provide our services to offshore international investors)

Technology supports over $45 billion* of our customer's investment funds

*As at 30 June 2011

Key share statistics



	FY2011	FY2010	Change %
Fully Ordinary Paid Shares (mil)	242.4	208.6	16%
Basic Earnings per Share (Cents)	(2.5)	(3.0)	17%
Diluted Earnings per Share (Cents)	(2.4)	(2.9)	16%

Praemium's Major Shareholders

Mr Arthur & Mrs Kathryn Naoumidis	8.0%
Dr Donald Stammer	7.3%
Nelcan Pty Ltd	4.9%
Patcheoak Pty Ltd	3.2%
Telstra Super	2.8%
Equitas Nominees Pty Ltd	2.6%
UCAN Nominees Pty Ltd	2.4%
BLM Superannuation Nominees Pty Ltd	2.3%
TAG Constructions Pty Ltd	2.0%
MF Custodians Pty Ltd	1.7%

Shareholding as at reporting date based on combined registered holdings of the underlying investor (where applicable)

6.2 million options / performance rights outstanding

* Share price at 30 August 2011: $0.115

What we do

Praemium Australia: *delivers technology and services* to our clients, enabling them to efficiently administer investor portfolios

Praemium UK: *owns and operates portfolio investment platforms* complete with custody, legal structures and administration

Product landscape

Core Technology

Investment Register

CGT Engine

Corporate Action Processing

Data Feeds

Reconstruction Data

Modules

Portfolio Administration Services (PAS)
- Portfolio Admin (V-Wrap)
- Market Data
- Trading

Separately Managed Accounts (SMA)

Traditional Wrap

Clients

Accountants
SMSF Administrators
Financial Planners
Brokers
Corporate Accounts

Blackrock

Praemium UK
(*dps* & SMARTfund)

Powerwrap

PAS – A proven technology

V-Wrap is a comprehensive online portfolio administration service that excels in:

- Corporate action processing
- Sophisticated tax and investment reporting
- Multi-asset type
- Multicurrency
- Portfolio reconstruction

Diversified Client Base

- 40% Accountants
- 40% Financial Planners
- Approximately 17,000 SMSFs (4% of market)
- Key corporate clients

SMA – Better than managed funds

Feature	Managed Fund	SMA
Professional investment management	☑	☑
Active trading	☑	☑
Wholesale execution	☑	☑
Low minimum investment	☑	☑
Access via PDS	☑	☑
Beneficial ownership of underlying shares	☒	☑
Transparent – can view underlying shares	☒	☑
Avoid embedded CGT	☒	☑
In-specie transfers	☒	☑
Minimise CGT when switching	☒	☑
Automatic tax optimisation	☒	☑
Cheaper	☒	☑

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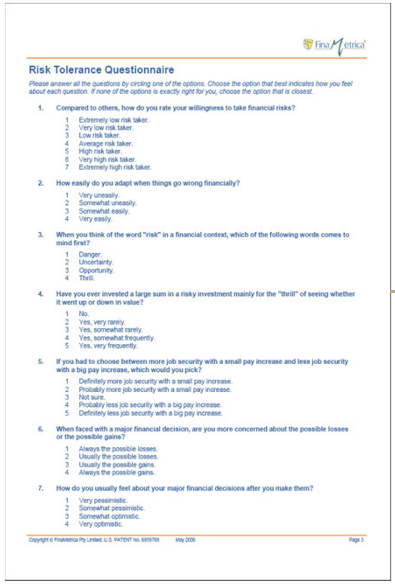
SMA – How it works

Risk Profile Questionnaire | **Risk Score** | **Asset Allocation** | **SMA Model Selected** | **Underlying Investments**



FinaMetrica

Risk Tolerance Questionnaire

Please answer all the questions by circling one of the options. Choose the option that best indicates how you feel about each question. If none of the options is exactly right for you, choose the option that is closest.

1. **Compared to others, how do you rate your willingness to take financial risks?**
   1 Extremely low risk taker.
   2 Very low risk taker.
   3 Low risk taker.
   4 Average risk taker.
   5 High risk taker.
   6 Very high risk taker.
   7 Extremely high risk taker.
2. **How easily do you adapt when things go wrong financially?**
   1 Very uneasily.
   2 Somewhat uneasily.
   3 Somewhat easily.
   4 Very easily.
3. **When you think of the word "risk" in a financial context, which of the following words comes to mind first?**
   1 Danger.
   2 Uncertainty.
   3 Opportunity.
   4 Thrill.
4. **Have you ever invested a large sum in a risky investment mainly for the "thrill" of seeing whether it went up or down in value?**
   1 No.
   2 Yes, very rarely.
   3 Yes, somewhat rarely.
   4 Yes, somewhat frequently.
   5 Yes, very frequently.
5. **If you had to choose between more job security with a small pay increase and less job security with a big pay increase, which would you pick?**
   1 Definitely more job security with a small pay increase.
   2 Probably more job security with a small pay increase.
   3 Not sure.
   4 Probably less job security with a big pay increase.
   5 Definitely less job security with a big pay increase.
6. **When faced with a major financial decision, are you more concerned about the possible losses or the possible gains?**
   1 Always the possible losses.
   2 Usually the possible losses.
   3 Usually the possible gains.
   4 Always the possible gains.
7. **How do you usually feel about your major financial decisions after you make them?**
   1 Very pessimistic.
   2 Somewhat pessimistic.
   3 Somewhat optimistic.
   4 Very optimistic.

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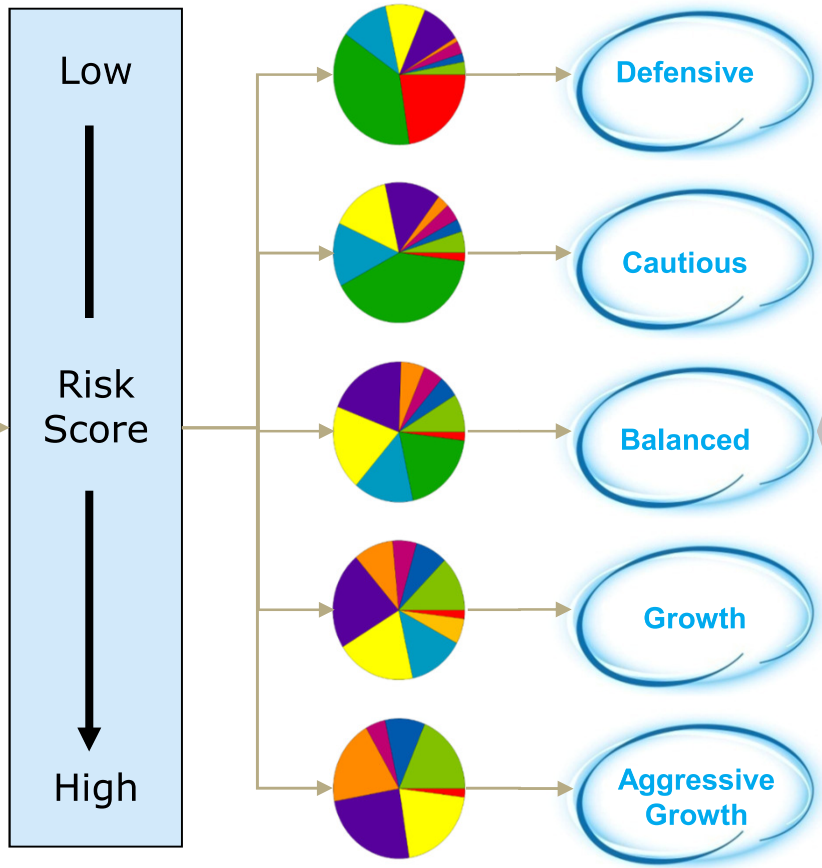

Cash and equivalents	**2.00%**
Cash	2.00%
Corporate bonds	**19.60%**
Henderson Strategic Bond A Inc	9.80%
M&G Strategic Corporate Bond A Inc	9.80%
High Yield	**0.00%**
n/a	0.00%
Property	**14.70%**
Threadneedle Property Acc	7.84%
Schroder Global Property Securities Inc	6.86%
UK Equity Fund	**19.60%**
INVESCO Perpetual Income Inc	8.82%
BlackRock UK Dynamic A Inc	5.88%
Rensburg UK Select Growth Inc	4.90%
US Equity Fund	**19.60%**
Threadneedle American R Net GBP Acc	7.84%
Schroder US Small and Mid Cap Inc	6.86%
M&G American A Inc	4.90%
Europe Equity	**5.88%**
Cazenove European B Acc	5.88%
Japan Equity	**4.90%**
INVESCO Perpetual Japan Acc	4.90%
Asia ex Japan	**4.90%**
First State Asia Pacific Leaders A Acc	4.90%
Emerging Equity	**8.82%**
Gartmore Emerging Markets Opportunities R Acc	8.82%

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UK – Taking SMA international

SMARTfund – First of its kind

- Tax effective Authorised Unit Trust structure
- Investment management services outsourced
  (eg Old Broad Street Research and Barrie & Hibbert)

dps– Advisor centric & value adding

- Advisors maintain the direct client relationship
- Advisors can manage investors' money using Model Portfolios
- Model Portfolio development and management outsourced to professional Investment Managers
- Investment Managers do not have visibility of end investor

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FY2011 Summary

Highlights

Australia

- Revenue growth of 9% to $11.8 million
- Continued to improve our core technology functionality to existing customers
- MyState win significant for Powerwrap Limited and Praemium

UK

- Revenue growth of 51% to $1.2 million
- Funds under administration (FUA) growth of 145% to £283 million
- Launched *dps* in Jersey to target international and offshore investors

Financial summary

RESULTS SUMMARY	FY2011 $'000	FY2010 $'000	Change $	Change %
Revenue	13,037	11,974	1,062	9%
Expenses	18,096	16,962	1,133	7%
EBITDA	(5,059)	(4,988)	(71)	-1%
Net Loss before Tax	(5,536)	(5,724)	187	3%
Cash at Reporting Date*	4,644	5,614	(970)	-17%
Net Assets	5,494	5,157	337	7%
Operating Cashflow	(5,854)	(5,716)	(138)	-2%

*The Group has no debt at reporting date

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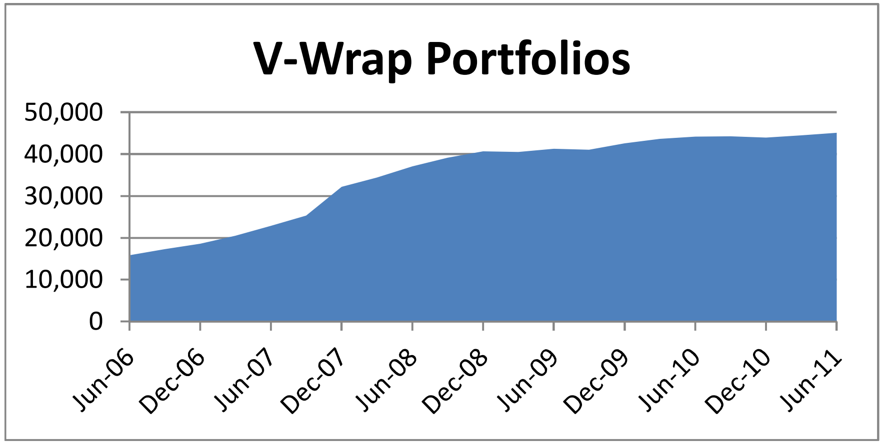
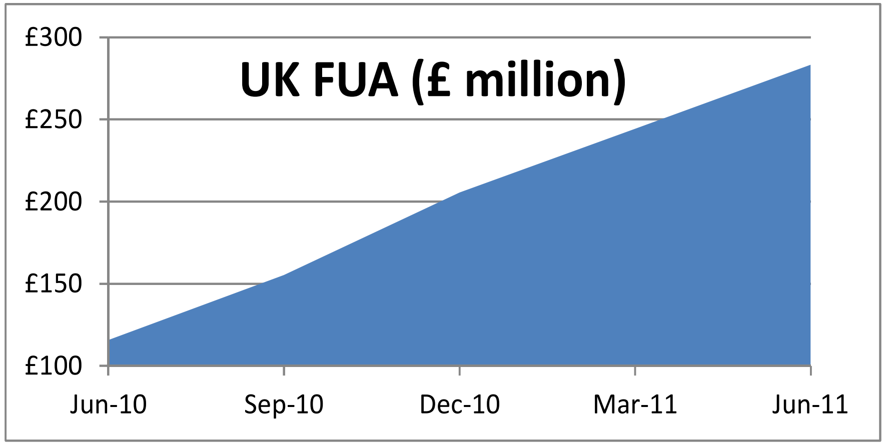
Key performance indicators

TECHNOLOGY OFFERING	KEY PERFORMANCE INDICATOR	FY2011	FY2010	Change %
PAS: AUS	V-Wrap Portfolios	45,075	44,167	2%
SMA: AUS	FUA ($M)	574	497	15%
SMA: UK	FUA (£M)	283	116	145%





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Divisional breakdown

PRAEMIUM GROUP RESULTS by REGION	AUS FY11 $'000	UK FY11 $'000	Corporate FY11 $'000	GROUP FY11 $'000
External Revenue	11,698	1,266		12,964
Employee Expenses	(7,007)	(5,038)	(510)	(12,555)
Operating Expenses	(3,419)	(1,639)	(410)	(5,468)
Total Expenses	(10,426)	(6,677)	(920)	(18,023)
EBITDA	**1,272**	**(5,411)**	**(920)**	**(5,059)**
EBITDA%	11%			
Depreciation	373	154	-	527
EBIT	**899**	**(5,565)**	**(920)**	**(5,586)**
NPBT FY11	**948**	**(5,565)**	**(920)**	**(5,536)**
NPBT FY10	**671**	**(5,514)**	**(882)**	**(5,724)**

*Group overheads relate to costs associated with operating a public company, including Board of Directors, share registry and public relations costs plus as a percentage allocation for the CEO, Group CFO and General Counsel on investor relations.

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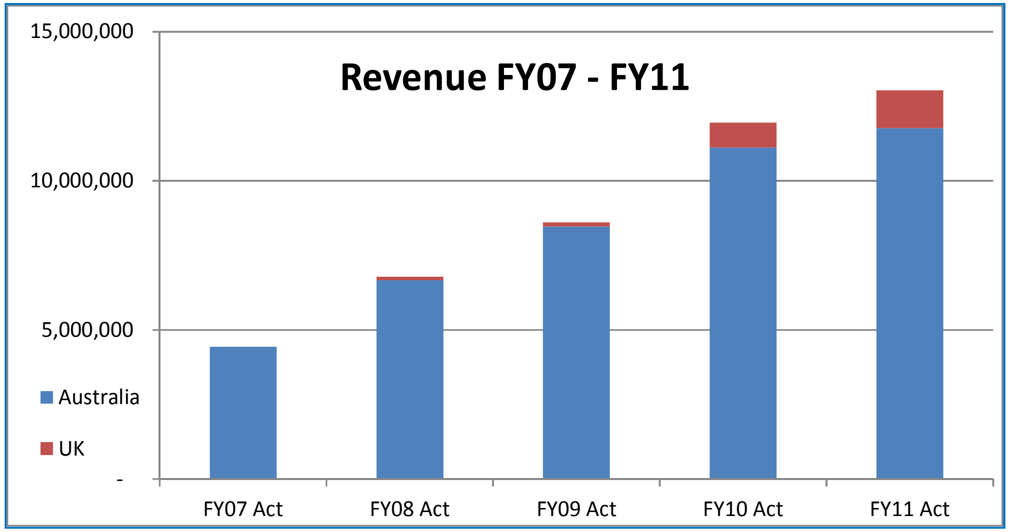
Product breakdown

REVENUE by PRODUCT	FY2008 $'000	FY2009 $'000	FY2010 $'000	FY2011 $'000
PAS: AUS	6,036	8,104	9,770	9,894
SMA & Wrap: AUS	226	281	1,279	1,714
SMA: UK	128	143	835	1,263
Product Revenue	**6,390**	**8,528**	**11,884**	**12,872**
Other Income	396	73	64	92
External Revenue	**6,786**	**8,601**	**11,948**	**12,964**

Notes:

- Portfolio Administration Services (PAS): AUS includes Praemium's V-Wrap brand plus services to key corporate accounts
- Separately Managed Account (SMA): AUS is provided through Blackrock and Powerwrap (SMA & Wrap)
- SMA: UK comprises 2 product offerings - SMARTfund and *dps*
- All product R&D costs are expensed in the year incurred



Forward Plan

Profit focus

Priority is on achieving near term profitability

Significant cost review

- Organisational restructure
- Protect our core service offering
- Prioritise product development initiatives

Increased sales focus

- Addition of field sales support personnel to assist clients with efficient transition of investor portfolios
- Expanded sales team for UK and International businesses

Significant underlying EBIT uplift is expected in FY12

Business is highly scalable

Our core software technology and daily processing engine can be leveraged across all of the company's products

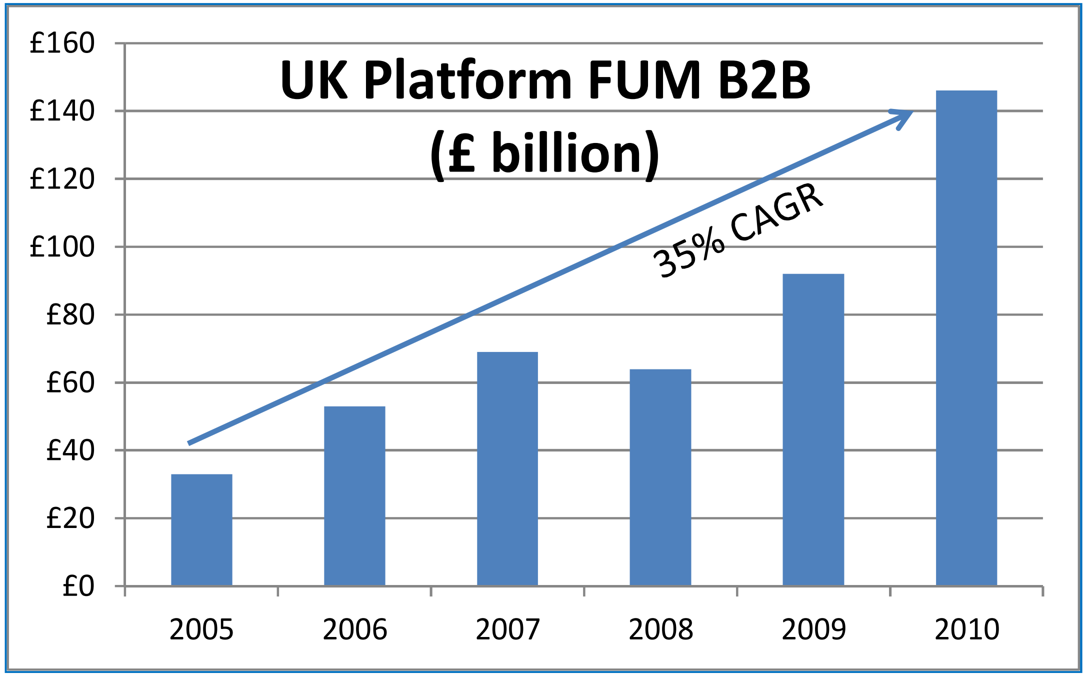
The investment in our core client services, software support and operations capability is now largely complete

Jersey-based strategy leverages London-based infrastructure

Incremental growth is therefore highly scalable and should generate attractive profit margins

Our focus moving forward is to grow sales more aggressively

UK market opportunity is large



Source: Platforum

- UK Regulatory changes due at end of 2012 will accelerate platform adoption
- Platform market expected to exceed £300 billion by 2013
- Platform business is sticky
- We have chosen an under-competitive niche

We believe Praemium's SMA-based strategy leapfrogs the traditional wrap platforms with a more cost effective and transparent discretionary solution

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Outlook for FY2012

Praemium Australia is a sustainable, proven and valuable business

- Our *V-Wrap* proposition remains the market leading solution for investment portfolio services
- Potential EBIT uplift following planned restructure
- Significant pipeline opportunity with Powerwrap

The opportunity within our UK business is sizeable with the potential to generate significant earnings growth

- Only now starting to invest in an expanded sales team for onshore service
- Jersey offering fits naturally with the offshore ex-pat market
  - Discretionary in nature
  - Significant trustee demand for greater transparency and
  - Ability to switch between discretionary fund managers seamlessly

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Questions?