



Half Year Results Presentation

2 March 2011

Following the recent release of Praemium Limited (ASX:PPS) results for the period 1 July 2010 to 31 December 2010, the Company is pleased to provide a copy of the attached presentation summarising the results and addressing progress and strategy.

Questions or queries should be direct to Mr Arthur Naoumidis, Group CEO
(03) 8622 1233.

About Praemium: Praemium Ltd ACN 098 405 826 (ASX:PPS) is one of Australia's leading suppliers of online financial portfolio administration and Separately Managed Account (SMA) technology, administering AUD 44.4billion* of assets in Australia and with more than £207million in funds on the platforms it operates in the UK . Praemium currently provides services to more than 500* financial institutions and intermediaries, including some of the world's largest financial institutions.

*As at 31 December 2010

1H FY11 Results & Update

3 March 2011

Arthur Naoumidis
Group CEO



Service offerings - Australia

	V-Wrap	V-Wrap Adviser / V-Wrap Investor	SMA	Praemium SMARTwrap
AUSTRALIA				
Brief Description	•A virtual wrap platform with strengths in Direct Equity processing, tax & investment reporting	•A comprehensive market data service	•A Separately Managed Account (SMA) service, based on V-Wrap technology	•A modern wrap platform based on V-Wrap technology •Particularly helpful for Advisers with transition from commission to fee-for-service
Customer Group	•40% Accountants •40% Financial Advisers •20% Brokers/Fund Managers/Others	•Financial Advisers •Brokers	•BlackRock •Powerwrap •Seeking other Fund Managers/Platform providers	•Powerwrap •(indirectly) Financial Advisers
Competitive Advantage	•Low flat fee •Superior corporate action processing •High level of automation •Accountant-strength tax & investment reporting •Ideal for SMSFs	•Available free of charge for the standard package (20-min delay) •Integrates with V-Wrap to generate real-time client reports •Portfolio modelling can assist with rapid reviews and generate short-form SOAs	•Low cost •Transparency & flexibility of underlying investments •A successor platform for traditional wraps •Ideal for SMSFs	•Low 'factory gate' pricing •Adviser rebate can be switched off once transition to fee-for-service is achieved •Comprehensive investment options •Online trading for Managed Funds and ASX-listed Securities •Accountant-strength tax & investment reporting

Service offerings - UK

	SMARTfund Advantage	SMARTfund Services	Discretionary Platform Service (dps)
United Kingdom			
Brief Description	A range of risk-profiled funds utilising the investment research and expertise of Old Broad Street Research (OBSR)	Praemium can create, manage and host a fund with a distributor's branding supported by the cost-effective, comprehensive reporting platform	Online platform on which Distributors can provide a transparent end-to-end discretionary investment management solution for their clients.
Customer Group	• Financial Advisers • Wealth Managers • Product Providers	• Financial Advisers	• Financial Advisers • Wealth Managers • Fund Managers • Discretionary Managers • Trustees & Charities
Competitive Advantage	• Complete transparency of underlying holdings • Unique ability to 'add on' the Adviser ongoing charge for each investor • Comprehensive reporting suite • Performance history evidences process does what it says it does • Independence of partners fits with RDR requirements	• Complete transparency of underlying holdings • Unique ability to 'add on' the Adviser ongoing Charge for each investor • Comprehensive reporting suite • Complete control over branding and pricing of fund	• Ability to select a range of Discretionary Managers • Ability to change Manager • Ability to blend models • Cost-effective and more efficient rebalancing • More control over client assets

Key Statistics

	1HFY11	1HFY10	% change	Revenue Model
Australia				
V-Wrap				
Funds under Administration (FUA)	AUD\$44.4b	AUD\$38.9b	+ 14%	Generally Flat \$ Average \$226 per portfolio
Committed Portfolios	43,969	42,596	+ 3%	
Separately Managed Account				
Funds under Management (FUM)	AUD\$558m	AUD\$460m	+ 21%	Approx. 8 bps on FUM
United Kingdom				
Funds on Platform (FOP)	UK£207.4m	UK£39m	+ 431%	17.5bps- 35bps on FOP

Key Financial Achievements

	EBITDA 1HFY10 \$AUD (`000)	EBITDA 1HFY11 \$AUD (`000)	Variance & Commentary
V-Wrap	2,218	2,236	1% improvement
SMA	(467)	(268)	43% improvement Flat lined during GFC; growth since then is strong
SMARTwrap	-	1,036	Contracted revenue
Total Praemium Australia	1,751	3,004	72% improvement
UK	(2,015)	(1,493)	26% improvement Take-up from UK clients is accelerating
Corporate	(3,470)	(3,452)	1% improvement
Total (Group)	(3,734)	(1,941)	48% improvement Strategies beginning to pay off

Key Financial Details

- Group EBITDA for 1HFY11 = (\$1.941 million)
 - A 48% improvement from 1HFY10
- All development costs are expensed
- Praemium has no debt
- Revenue and other income:
 - Full year to 31 December 2010 = \$7.02 million
 - Full year to 31 December 2009 = \$5.33 million
- Cash at 30 June 2010 = \$5.07 million

Group Financial Summary

	Revenue \$AUD ('000)		Costs including R&D expense \$AUD ('000)		EBITDA \$AUD ('000)	
	1HFY10	1HFY11	1HFY10	1HFY11	1HFY10	1HFY11
Praemium Australia						
V-Wrap	4,909	4,921	2,691	2,685	2,218	2,236
SMA	190	266	657	534	(467)	(268)
SMARTwrap	-	1,167	-	131	-	1,036
Total Praemium Australia	5,099	6,354	3,348	3,350	1,751	3,004
UK	144	575	2,159	2,068	(2,015)	(1,493)
Corporate	45	32	3,515	3,484	(3,470)	(3,452)
Total(Group)	5,288	6,961	9,022	8,902	(3,734)	(1,941)

Highlights



	Revenue (\$'000) 1HFY11	Costs incl. R&D (\$'000) 1HFY11	EBITDA(\$'000) 1HFY11
V-Wrap (including V-Wrap Adviser)	4,921	2,685	2,236

- V-Wrap continued to increase its footprint:
 - 43,969 portfolios – a 3% increase since 1HFY10
 - \$44.4 billion FUA – a 14% increase since 1HFY10
- E*TRADE:
 - 2nd year Tax Reports for all E*TRADE active retail customers
 - Daily standard V-Wrap service launched to E*TRADE customers on subscription
- Equity trading functionality allowing advisers using V-Wrap to place trades with brokers:
 - Launched in December 2010 with Morgan Stanley Smith Barney
 - Next broker anticipated – E*TRADE

Outlook Australia



- Proposed Future of Financial Advice regulatory reform in 2012 stands to accelerate growth for:
 - V-Wrap
 - Praemium SMARTwrap
- Praemium SMARTwrap – a full service wrap platform:
 - SMARTwrap Investments – launched in August 2010
 - SMARTwrap Super (including Pension) – launched November 2010
 - SMARTwrap SMSF - anticipated by Q3 of 2011
 - Compelling proposition for clients
 - Better functionality
 - Cheaper than legacy wrap platforms
 - Supports transition from commission to fee for service
 - Increases V-Wrap's addressable market
 - From 10% ➡ 100% of Advisers
 - Targeting 2% in 2-3 years of approx. \$400 billion = approx. \$8+ billion
 - Strong enquiry rate from prospective clients



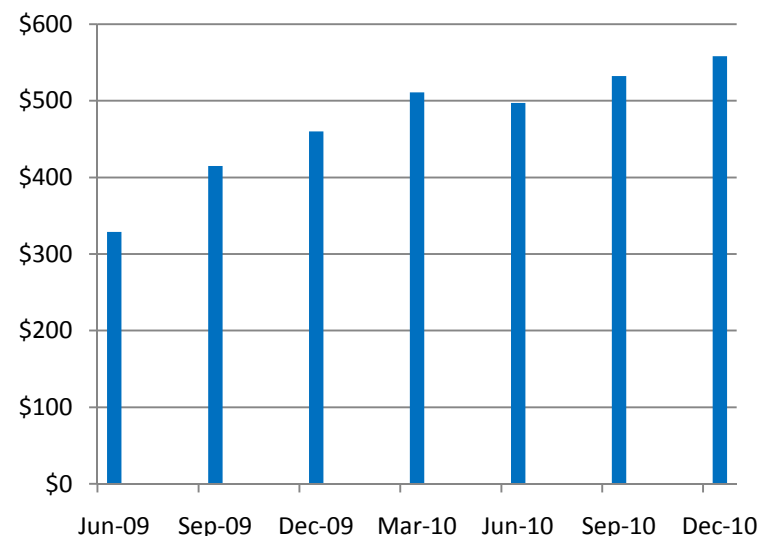
Highlights



	Revenue (\$'000) 1HFY11	Costs incl. R&D (\$'000) 1HFY11	EBITDA(\$'000) 1HFY11
SMA	266	534	(268)

- BlackRock Customised Portfolio Service:
 - 185 firms use this service
- SMA FUM increased by 21% to \$558 million since 1HFY09
 - Approx. 30% of the increase FUM is due to net inflows
- SMA revenue grew by 40% to \$266K since 1HFY09

SMA FUM (\$ million)



Outlook



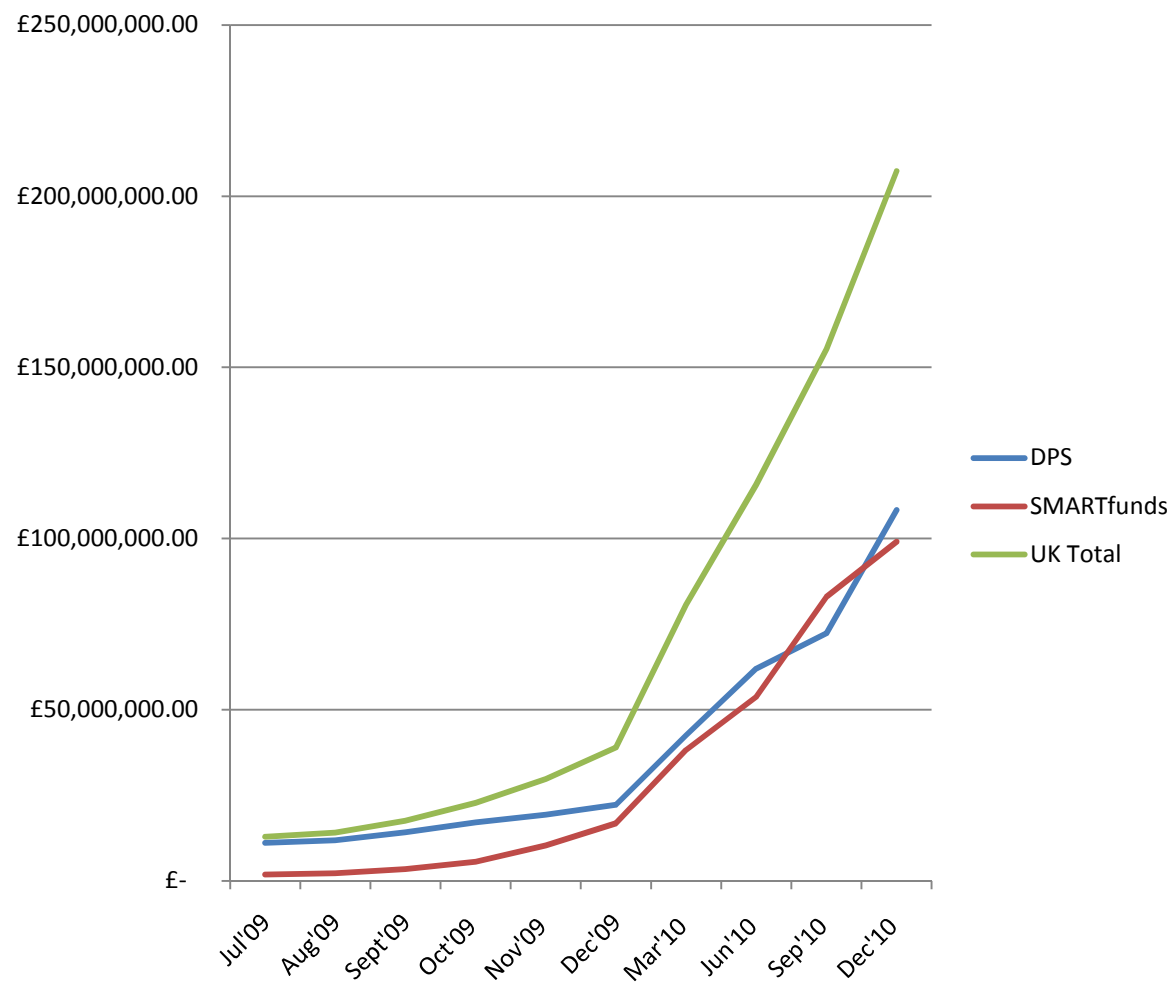
- FUM for SMA will continue to improve with market
- Imminent deployment of 'Models of Models'
 - Compelling value proposition for Advisers
 - Elimination of ongoing SOA
 - Reduction of business risk
 - Improved business value
 - Strong demand from current and prospective clients
- Praemium SMARTwrap to drive growth
 - Allows transition from old legacy wraps
 - One powerful platform showing traditional Managed Funds and new SMA portfolios

Highlights – United Kingdom

	Revenue (\$'000) 1H FY11	Costs incl. R&D (\$'000) 1H FY11	EBITDA(\$'000) 1H FY11
United Kingdom	575	2,068	(1,493)

- UK FOP increased by 431% to £207.4 million
- Our two key offerings are well positioned within the UK regulatory environment
 - Commission is banned from end of 2012
 - Strong fiduciary requirement – Treat Customers Fairly (TCF)
- Russell Investments selected Praemium SMA platform
 - Large global investment manager, with very high net worth clients
 - Multi-jurisdictional deployment to global offshore Trust company
- Launch of UK's first Sharia-compliant retail discretionary offering
 - In conjunction with the Islamic Bank of Britain

Highlights – United Kingdom Growing Funds on Platform



Outlook – United Kingdom

- Strong growth in the UK platform market:
 - Current size is approximately £134 billion*
 - Forecast to grow to £300+ billion by end of 2012, and £500 billion by 2015
- Compelling competitive advantages
 - Product, technology and regulatory
- Offshore SMA Platform being launched in Channel Islands
- Onshore/Offshore US Investor SMA Platform being launched
- Shariah SMA just launched – worlds first Islamic SMA?
- Praemium is well placed to benefit from these aspects

* As at Q2 2010

Looking ahead

- Continue with achieving strong growth in revenues as we:
 - Further enhance our service offerings in Australia
 - Penetrate the wider financial planning community using our SMARTwrap offering
 - Increase distribution and building FOP in the UK
- Maintain tight control on costs
- Realise substantial revenue leverage from the scalability of our services and from enhanced productivity in general
- Aim to become operating cash flow positive during 1HFY12



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