ETRADE Update

25 July 2011

Praemium Limited (ASX:PPS) has been unable to successfully conclude negotiations with ETRADE Australia for the extension of the exclusivity provisions in the agreement under which Praemium provides tax reporting services to ETRADE's clients.

In all other respects Praemium's agreement with ETRADE Australia remains in place and Praemium's V-Wrap technology will continue to power the provision of tax reporting to all of ETRADE Australia's active retail client base until at least May 2013.

The early cash receipt that was to be delivered by an extension to the ETRADE Australia exclusivity and flagged in earlier announcements will now not be received. This will negatively impact Praemium's goal of becoming operationally cash flow positive during the first half of the current financial year.

With the exclusivity provisions not being extended, Praemium can market its tax reporting services to other Australian online brokers

About Praemium: Praemium Ltd (ASX:PPS) is one of Australia's leading suppliers of online financial portfolio administration and Separately Managed Account (SMA) technology, administering in excess of AUD 46billion-FUA* of assets in Australia and with more than £244million-UK FOP* in funds on the platforms it operates in the UK. Praemium currently provides services to approximately 500* financial institutions and intermediaries, including some of the world's largest financial institutions.

*As at 31 March 2011