

Præmium Limited

Investor Presentation

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Disclaimer

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Executive Summary

Praemium has delivered a significantly improved financial result, especially in the second half of FY2012

Praemium is:

- A market leader in non-custodial portfolio administration in Australia.
- A major player in the Separately Managed Account (SMA) space in Australia, the UK and now internationally.

Praemium has two important upcoming transactions:

- To take over from BlackRock as the Operator of the Australia SMA.
- To acquire WealthCraft Systems Limited.

These transactions will transform the company by:

- Increasing earnings from the Australia SMA by taking over as Scheme Operator.
- Accelerating our existing SMA distribution into Asia with the acquisition of a Hong Kong-based presence (via WealthCraft).
- Pulling through sales by expanding the product suite with a cloud-based CRM and financial planning system (via WealthCraft).

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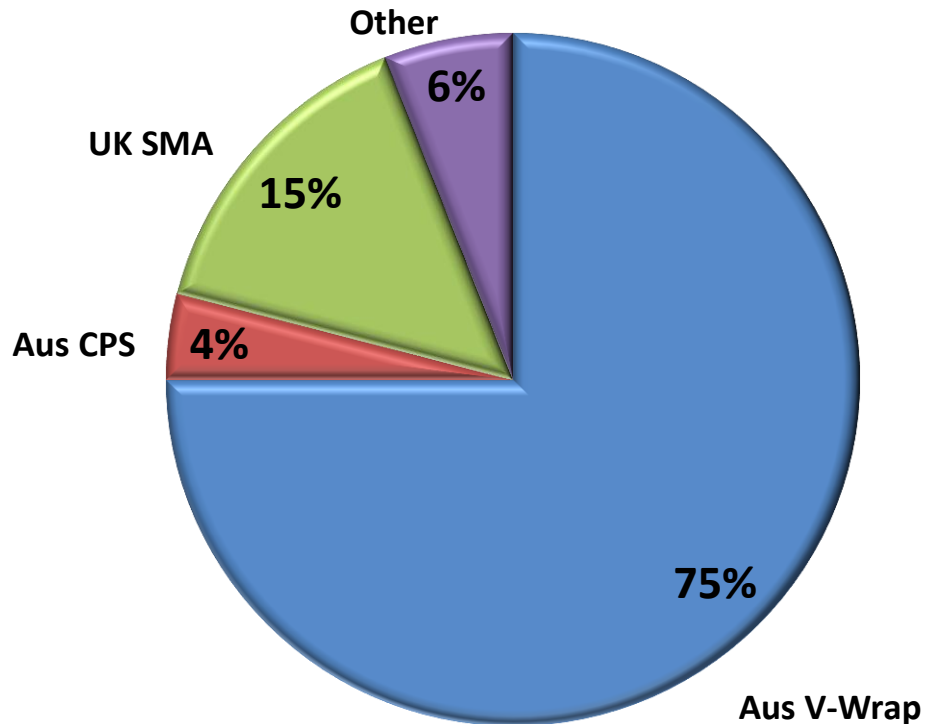
Product Overview

FY2012 Financial Overview

Strategic Acquisitions

Revenue profile

Product Segment Revenue - FY2012



Products

V-Wrap — Non-custodial portfolio administration

CPS — SMA operated by BlackRock

UK SMA — Discretionary Portfolio Service (*dps*) and SMARTfunds

Other — Includes Powerwrap and E*Trade tax tools

What we do now

Australia

UK

International
(Jersey)

Core processing engine & dynamic re-balancer

SMA Platform

dps
SMARTfunds

SMA Platform

dps

Software

V-Wrap
SMA
Powerwrap

Post the transactions

Australia

UK

International
(Jersey)

Core processing engine & dynamic re-balancer

SMA Platform
CPS

SMA Platform
dps
SMARTfunds

SMA Platform
dps

Software
V-Wrap
Powerwrap
WealthCraft CRM

Software
WealthCraft CRM

Software
WealthCraft CRM

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Key FY12 Highlights

Group

- Significantly reduced prior year's cash burn
- Breakeven EBITDA for second half of FY2012 (\$32k profit)
- Annualised cost savings of \$3m+ (20% of FY11 cost base)

Australia

- Consistent underlying revenue growth
- Enhanced sales & marketing focus
- R&D investment to strengthen our core V-Wrap service

UK

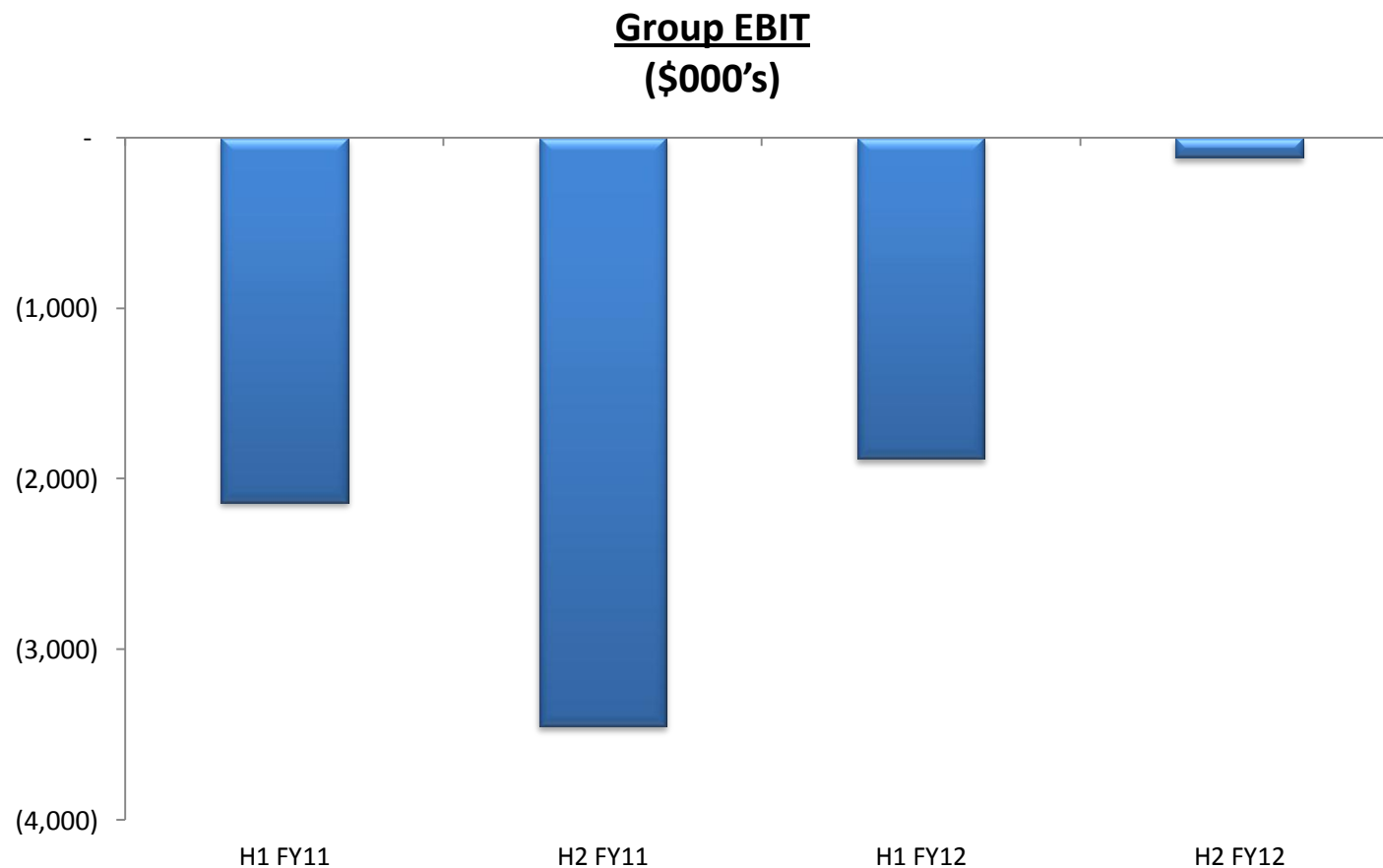
- Revenue growth of 50%
- Discretionary Portfolio Service (*dps*) growing strongly
- Expanding distribution through Jersey offshore platform, now operational

Financial Summary

Præmium Group	FY2012 \$000	FY2011 \$000	Change %
Revenue	13,045	13,037	0%
Expenses	15,041	18,623	(19%)
EBIT*	(1,996)	(5,586)	64%
Net Loss after Tax	(3,945)	(5,536)	29%
Cash at Reporting Date	4,713	4,644	1%
Net Assets	6,592	5,494	20%
Operating Cashflow*	(3,082)	(5,854)	47%
Earnings per Share	(1.4)	(2.5)	44%

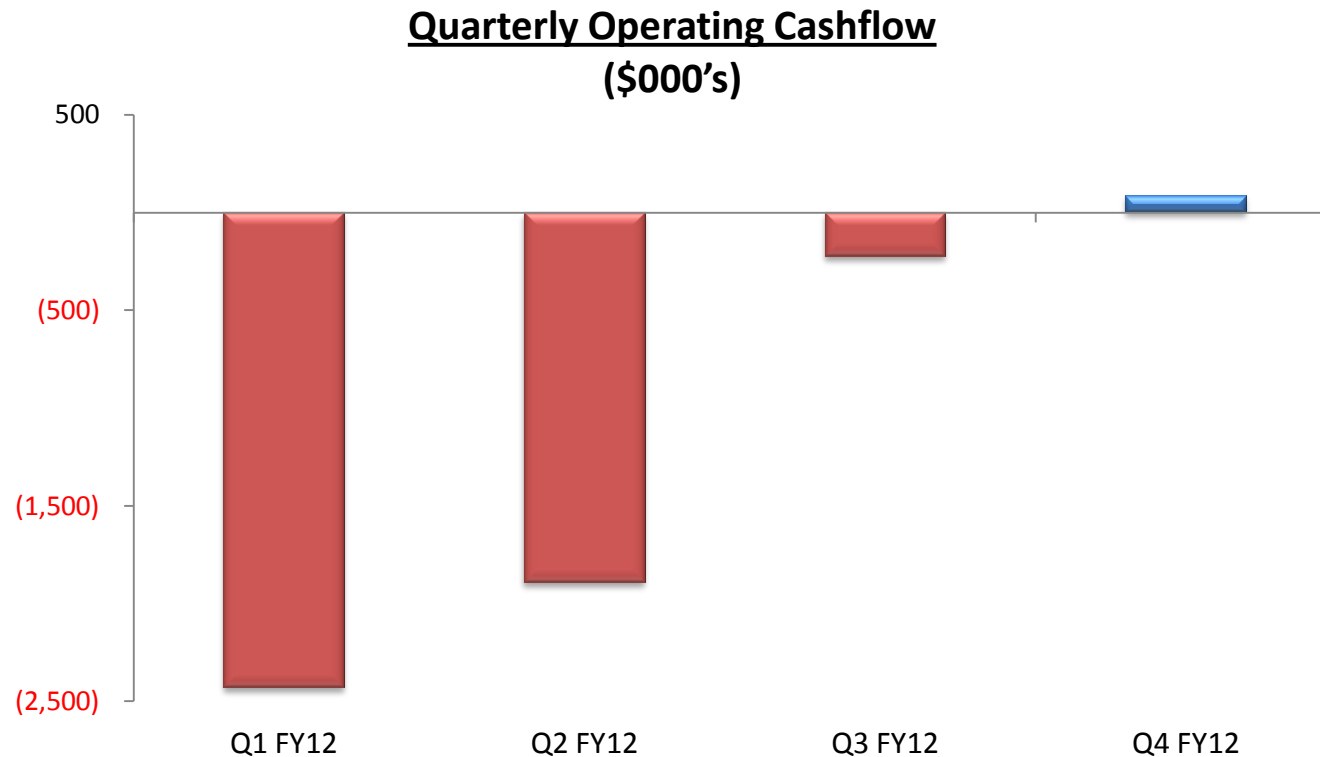
*Excludes organisational restructure costs.

Significant improvement in EBIT



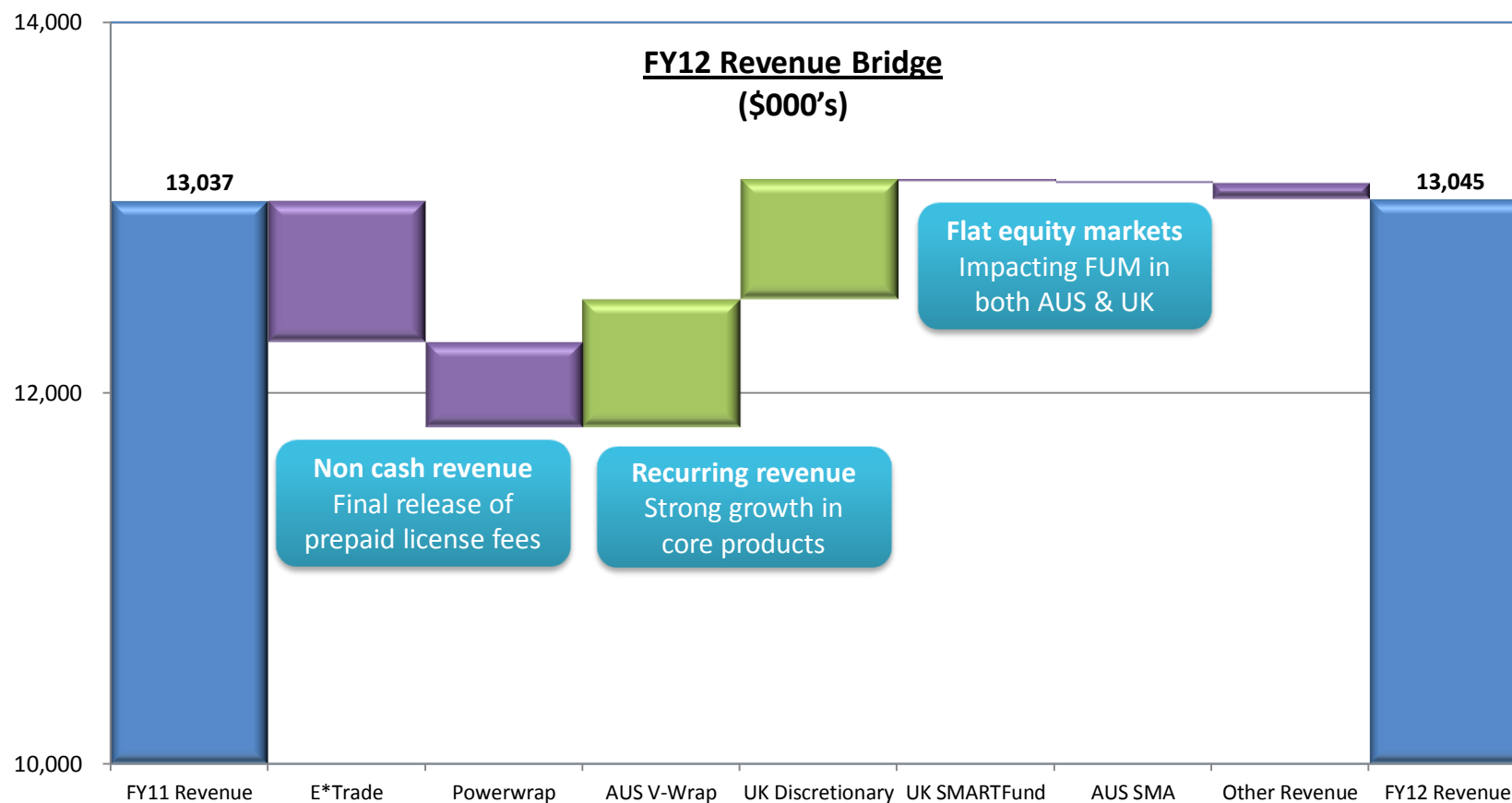
Note: Excludes organisational restructure costs.

Operating cash flow: positive last quarter



\$4.3 million cash with no debt as at August 2012

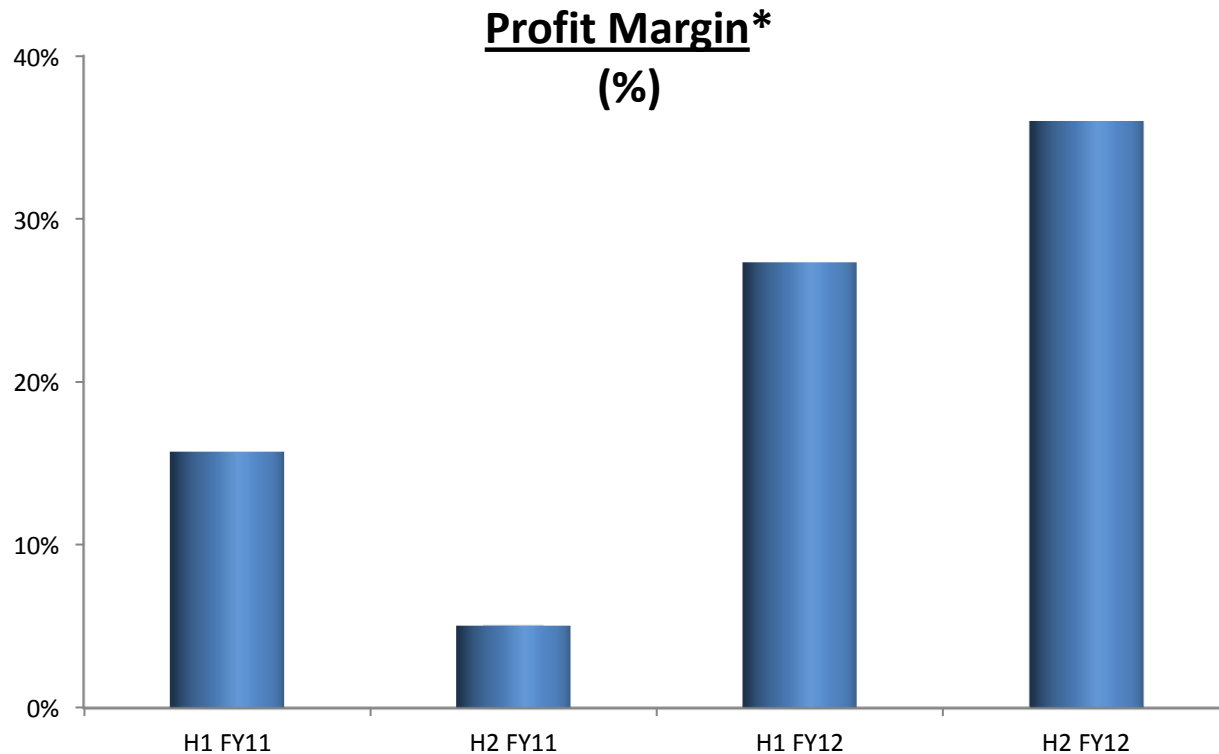
Growth in underlying revenue



Divisional Breakdown

Præmium Group	AUS FY12 \$m	UK FY12 \$m	Corporate FY12 \$m	Group FY12 \$m
External Revenue	11.1	1.9		13.0
Employee Expenses	(5.1)	(4.6)	(0.1)	(9.8)
Operating Expenses	(2.5)	(1.7)	(0.6)	(4.8)
Total Expenses	(7.6)	(6.3)	(0.7)	(14.6)
EBITDA	3.5	(4.4)	(0.7)	(1.6)
EBITDA%	32%			
Restructure Costs	(1.2)	(0.2)		(1.4)
Depreciation	(0.3)	(0.1)		(0.4)
EBIT	2.1	(4.7)	(0.7)	(3.3)
NPBT	2.1	(5.3)	(0.7)	(3.9)

AUS – strong underlying earnings

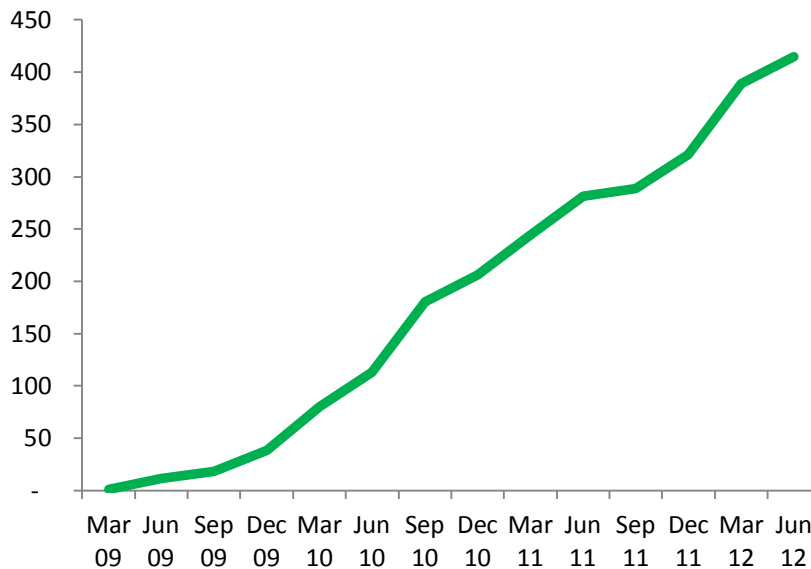


Continued focus on profitable growth

*EBITDA to revenue %

UK Growing

Funds on Platform
(£m)



- FUM up 45% in the past year
- 90% increase in client base
- Driven by Praemium's uniquely scalable and transparent solution
- Stable cost base, with targeted investment in sales & operations
- Focus on incremental profit from revenue growth
- Jersey fully operational at end FY2012

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Praemium to execute two acquisitions

Acquisitions*

- Take over from BlackRock as Operator of the SMA in Australia.
- Acquire WealthCraft Systems Limited in Hong Kong.

Financial impact

- Total cash expenses (including consideration and transaction-related costs) of approximately \$1.1 million plus two million ordinary shares.
- Revenue increase of 20% relative to FY2012.
- Expected to be accretive in year one.

Capital implications

- Praemium Australia becomes the Responsible Entity (RE) for the BlackRock SMA.
- At current FUM of \$0.6 billion, prudential capital of \$3 million is required.
- At \$1 billion the maximum prudential capital requirement would be capped at \$5 million.

*Both acquisitions subject to preconditions

Acquisition 1: BlackRock/Praemium SMA

Launched in late 2005 as a revenue share partnership with Praemium receiving 20%.

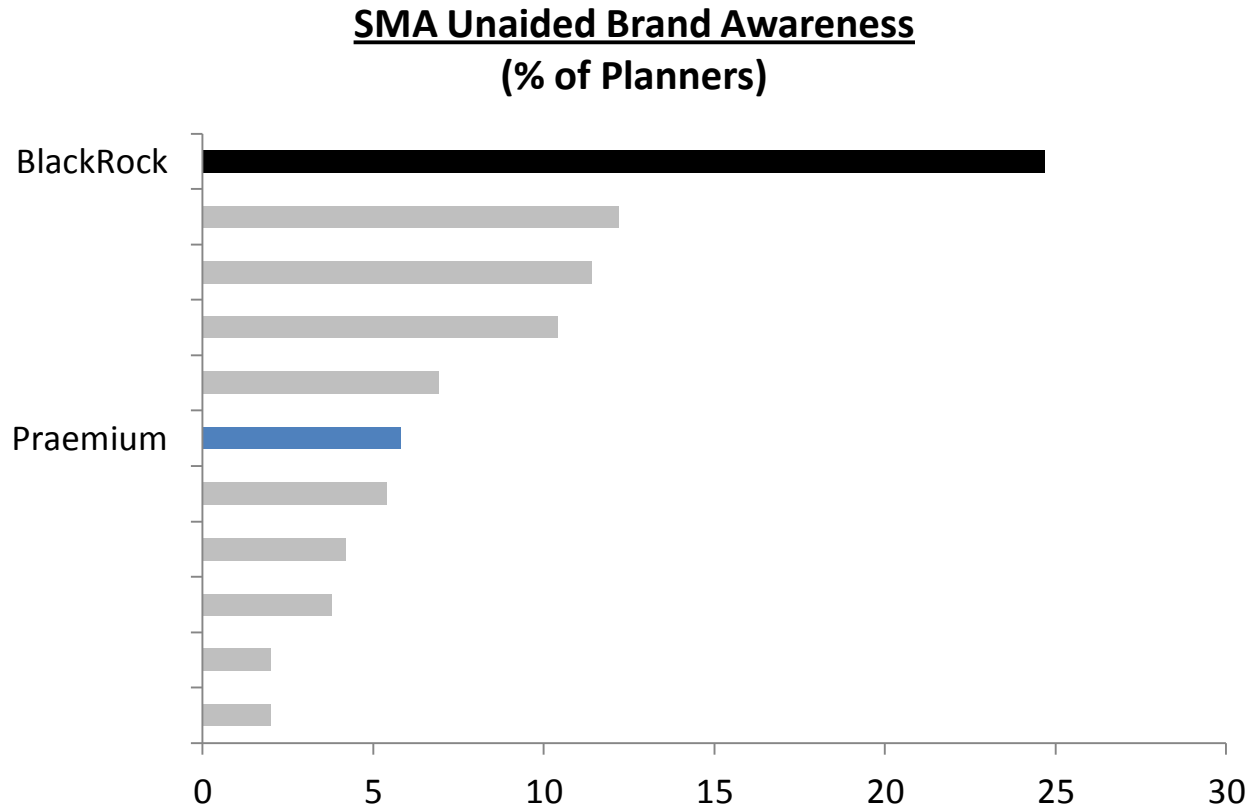
- Following a strategic review, BlackRock determined that a company that focusses on portfolio administration would be better placed to develop the product.
- Praemium to take over as the RE for the SMA scheme, which is marketed as the Customised Portfolio Service (CPS).
- The BlackRock administration team that operates the CPS will transition to Praemium upon completion.
- Completion is subject to various conditions precedent such as investor approval in the SMA representing at least 50% of the scheme funds.

Praemium will be an SMA Operator in Australia, the UK and Jersey.

Key Statistics:

- \$600 million in FUA
- 100 model portfolios
- Over 20 model portfolio managers

Well placed as the leading SMA brand



Source: Investment Trends – March 2012 Planner Direct Equities & SMA Report

Note: Top 11 out of 30 shown

SMA has many inherent benefits

Benefits of investing in an SMA

	SMA	Managed Funds	Direct Shares
Tax efficient	✓	X	✓
Transparent	✓	X	✓
Lower brokerage costs	✓	N/A	X
Customisable/flexible	✓	X	✓
Access to professional managers	✓	✓	X
Beneficial ownership	✓	X	✓

After 40 years the US SMA market is over \$900 billion;
after 10 years Australia's market is less than \$2 billion.

According to market research*, Australian advisors plan to increase use of SMA significantly over the next three years.

*Investment Trends – March 2012 Planner Direct Equities & SMA Report

Acquisition 2: WealthCraft

Praemium acquires 100% of the shares in WealthCraft Systems Limited from WealthCraft System Inc. WealthCraft was founded in 2003 and is based in Hong Kong.

Consideration of \$625,000 in cash plus 2 million Praemium Limited shares:

- Target completion date of October.
- Includes \$400,000 that has already been provided as a secured loan.
- Subject to completion of conditions precedent as specified in the sale agreement.

Key product is the Wealthcraft Adviser 5.0:

- Customer relationship management (CRM) based on Microsoft Dynamics
- Financial planning
- Investment research
- Portfolio management
- Unit trust trade automation

The WealthCraft CRM integrates seamlessly into Microsoft Office:

- Uniquely integrates CRM into the Outlook environment.
- On-going support and development from Microsoft.

Expected benefits

1. Acquire a rapidly growing CRM+planning software business addressing the English-speaking ex-pat market in Asia.
2. Provide a sales and distribution capability for Praemium's International investment platform targeting the same client base.
3. Bolt onto the V-Wrap offering to provide clients a more complete and fully integrated solution.
4. Integrate into the SMA investment platform to enable planners to link client risk tolerance with appropriate strategic asset allocation.
5. Provide clients with a low-cost way to easily customise their proposition.
6. Leverage Microsoft's core CRM.

Summary

Praemium to become a global SMA platform operator

1. Will be vertically integrated as the leading SMA Operator in Australia.
2. An emerging leader in the UK platform market with a scalable SMA-based solution.
3. WealthCraft provides an Asian footprint to drive our international SMA platform.
4. Will enhance our investment platform with CRM and financial planning capabilities.