



ASX Announcement
17 May 2007

Praemium raises AUD \$10.5 million by Private Placement

Praemium Ltd (ASX:PPS) announced today that it has raised \$10.5 million by way of a private placement of 10 million new ordinary shares to institutional and sophisticated investors. The placement was managed by Lodge Corporate Services.

Arthur Naoumidis, the Praemium Group's Managing Director said "Twelve months ago we raised funds in our IPO for the primary purpose of launching our business in the UK. Since then we've significantly advanced towards that goal – and we're in the process of seeking approval from the Financial Services Authority to operate a separately managed account (SMA) fund in the UK. Under the requirements of the relevant laws in the UK, we'll likely be required to maintain a minimum working capital reserve in cash or cash equivalents within the UK. The funds raised in the private placement will be applied in part for that purpose. Of course, Praemium will be entitled to the interest income on that capital reserve."

"In addition, since our IPO in May 2006, we've had the opportunity to acquire and further develop the intellectual property for Praemium Desktop. This is an internet application that brings V-Wrap's extensive portfolio administration functionality to the desktop and couples it with a market data system which will allow real time intra day valuation and reporting. The opportunity to create Praemium Desktop came to us after our IPO and accordingly it was not budgeted at the time. This placement will effectively fund this exciting new advance."

Listing Rule 3.10.3 requires that certain specific information be provided to the market. In accordance with the requirements of that listing rule, we provide the following information:

Class of Securities	Fully paid ordinary shares
Number to be issued	10,000,000
Issue Price	\$1.05 per share
Purpose of Issue	To fund Praemium's working capital, in particular to meet the likely regulatory capital reserves requirements to operate an SMA in the UK and to fund the development, launch, deployment and marketing of Praemium Desktop

Shareholder Approval	The Company will not seek shareholder approval at the time of the allotment as it is not required by the Listing Rules. The Company will seek subsequent approval of the issue at its Annual General Meeting pursuant to Listing Rule 7.4.
Issue to Class	The issue is not being made to a class of security holders

About Praemium:

Praemium launched its proprietary online portfolio administration service (“V-Wrap”) to the Australian market and secured its first clients early in 2002. V-Wrap is now enjoying considerable success: within 3 years, the value of investments administered by V-Wrap in Australia has grown from AUD100m to AUD20bn. V-Wrap is used to administer in excess of 19,000 accounts for over 300 financial services organisations. Praemium's V-Wrap clients include some of Australia’s largest financial service providers and global financial organisations.

An innovative approach to product design combined with the strength of the underlying technology has also enabled Praemium to develop its Separately Managed Account offering which is used exclusively in Australia by BlackRock Investment Managers (Australia) Limited (previously Merrill Lynch). This product has been received well by the market, winning the Rainmaker Marketing Excellence Awards 2006 “Best Innovation of the Year 2006”.

Praemium listed on the Australian Stock Exchange (ASX:PPS) in May 2006 to raise capital for further expansion. Praemium’s UK presence was established in October of last year with the establishment of offices and data centre facilities in the heart of the City of London.

For further information contact:

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