

PREMIER EXHIBITIONS INC.

**Moderator: Mark Sellers
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8:00 am CT**

Operator: Good day and welcome to the Premier Exhibitions Inc investor conference call. Just a reminder that today's conference is being recorded.

And now for opening remarks and introductions, I would like to turn the conference over to Chairman of the Board, Mr. Mark Sellers; please go ahead, sir.

Mark Sellers: Good morning, and welcome to the Premier Exhibitions March 4, 2009 investor call. My name is Mark Sellers, and with me is Chris Davino, our interim CEO.

I need to quickly read the Safe Harbor language. Certain of the statements made during this conference call will contain forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements are within the meaning of the term, as defined in Section 27-A of the Securities Act of 1933 as amended and in Section 21-E of the Securities and Exchange Act of 1934 as amended. Premier Exhibitions has based these forward-looking statements on its current expectations and projections about future events, which may in turn be based on information currently available to Premier Exhibitions. These forward-looking statements may include statements relating to Premier Exhibitions, anticipated financial performance, business prospects, new development strategies and similar matters, and can be identified by words, such as expects, plans, believes, anticipates, may, intend, and similar words and phrases.

Additional information regarding certain of the risks and uncertainties Premier Exhibitions believes could affect its business and prospects are included in its filings with the Securities and Exchange Commission, including the section of its most recently filed Annual Report on Form 10-K entitled "Risk Factors," as updated by our subsequent Form 10-Q filings. Such risks and uncertainties may affect Premier Exhibitions future results and cause those results to differ materially from those expressed in the forward-looking statements made during this conference call. Premier Exhibitions disclaims any obligation to update any of its forward-looking statements, except as required by law.

Ok, now we can get started. Before I update you all on the current status of the company, I want to discuss some of the changes that you, as the company's investors, can expect from this new management team. Keep in mind that I'm also one of the company's investors and therefore these changes are in the vein of "treating you the way I expect to be treated myself."

There are two significant differences in how we will interact with you in the future compared with the past.

First, we will always be completely honest and candid with you. We'll try hard to make sure you have an accurate picture of the company at all times.. I've always admired companies that are brutally honest with their investors, especially with respect to bad news. Everyone loves to talk about good news, but some companies have a tendency to bury bad news—or worse, to lie directly to investors. This results in disappointment later as investors are negatively surprised by a shortfall in expectations. If there is bad news to deliver, we'll be upfront about it and not attempt to sugarcoat it. And frankly, there is a lot of bad news to deliver and I'm going to get to that in a minute.

Second, we'll no longer give any type of earnings guidance to analysts and investors. The nature of this business, and indeed most businesses, is lumpy. Revenues and earnings of most businesses, including this one, are not smooth and steady and precisely predictable. This is

especially true when you have a business model that revolves around temporary exhibitions that move around a lot from one venue to the next. Any attempt to convince you into thinking our revenue will be smooth and predictable would be disingenuous. So even though we know it's a game Wall Street wants public companies to play, we're not going to play it.

Now let me go into the situation at hand, briefly, and then I'll introduce Chris Davino and let him take over for a while.

When we arrived in Atlanta to take up residence in Premier's offices in late January, we knew we were walking into a tough situation. We knew the company was in a bad position and that we were going to have to work very hard to right the ship. Mark Hugh Sam and I had been on the board for a while and we had seen the company's financial position deteriorating very quickly.

What we found when we got here was even worse than we thought. From the moment we walked in we've been trying to put out fires. The first day, we discovered a number of improper uses of the company's IT system. In addition, the IT system is inadequate for a company of this size. Important files reside on local computers instead of being backed up to a central network, so if someone loses their laptop that information is gone forever.

This was just a tip of a larger iceberg but it's an example of how haphazardly the company was run. In our view, every single major decision this company has made and every contract it has entered into over the past few years has something wrong with it. The kind of stuff that makes you pull your hair and scream "what were they thinking?" Some of these decisions revolved around meeting the quarterly earnings guidance at the expense of long-term profitability. For instance, in at least a couple instances the company entered into long-term contractual relationships at the end of a quarter with the apparent goal of quickly booking the revenue before quarter end. It's always a mistake to let quarterly earnings goals drive long-term business decisions, yet that's the mentality that appears to have been at work here.

After meeting with many of the company's contractual partners, we've found out that most of them are angry at Premier and don't trust the company because they feel they've been mistreated. We have a lot of relationships to repair and renegotiate. Although we weren't on the board when most of these relationships began, we have to deal with this now in a very delicate yet expedient manner.

When we arrived on the scene in late January, corporate counsel presented us with a list of more than 20 outstanding issues, most of them contract-related, that required immediate attention. Some of these involved stretched payables - cash payments due to third parties which had not yet been paid. Some of these issues involved litigation, or threatened litigation. Many of them involved contracts that had been entered into by Premier's previous management that obligated the company to make large payments to third parties, payments the company can no longer afford. We have spent many hours meeting with the company's partners to try and work these things out one-by-one. Some of these negotiations are going well, some aren't.

So fixing this company is not a matter of just cutting some heads, turning out a few lights, and going home to sleep peacefully each night. Each of these contractual relationships are unique, separate, and require renegotiation or possibly even litigation.

To make matters worse, the company has a significant hole in its exhibition schedule later this year. For whatever reason, it appears that previous management did things on the fly rather than develop a long-range plan and following it. Exhibitions were often booked at the last minute, with little time to properly prepare a PR and media campaign before entering a market. By rushing, you don't maximize the revenue opportunity and you risk failure in a new city. We're attempting to try and fill the revenue hole the best that we can because if we don't, revenues will fall off a cliff later this year.

Because of this hole, we may need to raise capital in coming months so that we don't have to rush to book last-minute shows without doing the appropriate preparation. During our proxy consent solicitation, we talked a lot about the company's deteriorating financial condition. That problem has not magically gone away in the month that we've been here. As a result, we've been considering strategic alternatives. These alternatives might include, but are not be limited to, selling certain parts of the company to raise capital, partnering with other companies, or raising outside financing by selling debt or equity. Our intention is not to sell the entire company to a third party unless there is no other alternative, so that is Plan D (as in David.) Our first choice is not to have to raise capital at all, but that would require us to book a lot of shows very quickly and we're not sure we'll be able to do that. Barring that, we'll probably have to raise some capital. As a shareholder, my intention is to keep dilution to a minimum while raising an appropriate level of capital to fill the revenue hole until the company can stand on its own. If we can't figure out a way to fill the hole, we'll have to explore Plan D.

Before we came in, the company did not have a business plan, a long-term strategic direction, or a media or PR strategy. The company had no standardized method of doing business with partners or negotiating contracts. We're attempting to quickly develop these things so that the business is no longer run by "gut feeling" but has a process for how it does things.

Basically, what we walked into is a company that appears to have revolved around one man who called all the shots and angered many of the company's vendors and partners, and who hoarded information from the board of directors and most of the company's employees. There were contractual obligations entered into in the last few weeks of former management's tenure that were not disclosed to the board, and which will cost the company money. We are working diligently and quickly to unbreak the things that are broken, including contracts entered into in the last weeks before we arrived on the scene, but it's not going to be quick or easy.

Not everything I have to say is negative. Many of the employees we've met since we got here are talented and bright. Most of them are smart, loyal, and eager to help us fix the company. Some of them have years of experience in this industry and are providing some good insight to the new management team. We've found them to be very helpful when they're allowed to participate in the decision-making process rather than just told what to do. A lot of problems can be solved as a team if the team is comprised of a strong leader who empowers talented employees rather than handcuffing them.

Also, I am excited about the long-term opportunity for this company if we can get past the next 12-18 months. The traveling exhibition industry is in its infancy, and it could be much larger over time. As one of the only companies specializing in traveling exhibitions, Premier has a chance to be a much larger company someday. However, to do that, we'll have to overcome a number of short-term challenges.

Before I turn the call over to Chris Davino, our CEO, I want to address one question we've been asked that is probably on some of your minds. We've been asked why we're paying Mr. Davino so much.

First of all, we think you should do the math carefully. His temporary employment agreement doesn't include any stock options or restricted stock, and despite what some people might think stock options aren't free. They represent a real economic cost to a company. Chris isn't getting any option grants in his pay package, unlike previous management.

Second, much of his pay is variable - he will only get his full payout if he is highly successful and the board gives him his bonus. His bonus will be tied to a number of measurable goals, none of which are going to be easy to accomplish.

Third, he's an interim CEO - his pay structure is temporary, not permanent.

And finally fourth, and most important -- I'm not sure how many of you are familiar with what turnaround experts get paid, but I can assure you Chris's compensation is right in the ballpark. These guys are the Rangers or the Delta Force of the business world - the type that can parachute into a volatile situation, assess the damage, figure out quickly what needs to be done with the least possible collateral damage, and then actually implement those changes. Chris has a lot of experience in this arena, and has dealt with many of the problems we're facing at other companies. Very few of this company's problems are unique to it or to the entertainment industry. Most revolve around cash, or lack thereof, and getting this company back on its feet so it can start to grow again. This has to be done without hindering the longer-term growth opportunity that I believe exists.

My firm is Premier's largest shareholder, and I'm not taking any salary or fees or anything from Premier. The only way I will personally benefit—like other shareholders—is if the company succeeds and its stock price appreciates. After working with Chris for a couple months now on a daily basis, I believe he is exactly what this company needs right now, exactly what the shareholders need. He has been instrumental in not only helping figure out all the problems we face, but also has done a good job so far identifying solutions. Whatever we pay him, if he fails it will be too much and if he's successful it won't be enough. We can't risk failure by going for a cut-rate CEO who doesn't have extensive turnaround experience.

And with that, I'm going to turn the call over to Chris.

Chris Davino: Good morning everyone. I appreciate everyone taking the time to dial in today. As Mark indicated, it's certainly been an interesting, challenging and I would say productive couple of weeks here at Premier. I need to cover a couple of topics this morning.

First, provide an early assessment of kind of what is, the current state of the operations. Mark touched on a number of issues, but I'll get into it a little bit more in a more detailed fashion.

Second, I think, and most importantly, describe what our initial and continuing focus is.

And third, to give you some perspective of where we're heading longer term.

As Mark indicated, there's really – I could describe this company in two ways. Both would be accurate and both, I think, are important data points as we contemplate the future of Premier. On the one hand, the company certainly has strong and valuable properties. Titanic, in my judgment, is a unique and highly important asset in the artifacts base.

Bodies, obviously, has also done very well historically. There's clearly some issues with regard to PR problems that we need to overcome and it's clearly a competitive landscape. But we believe that Bodies is an asset that it's got legs long-term.

Two and probably most important and Mark touched on this briefly, the company's got a lot of very, very talented people. We were really impressed upon arriving how in spite of the situation, in spite of the difficult recent history, how inspired people were and candidly, how talented they were in the areas that they focused. But I'll provide a lot more commentary on people issues as we go through.

But really suffice it to say notwithstanding the fact that there's a lot of talent around, the company certainly lacks for human resources. There are substantial human resource needs in this

company throughout and that needs to be addressed before we can make a lot of progress and we've got a plan to do that.

Before moving on, I'll touch upon some of the highlights from operations. I'll give you some perspective of you know where we stand today. I'll start with BODIES.

I think it's important to note that in spite of the economic downturn that we all see day-to-day especially that in the entertainment industry, BODIES continues to attract large crowds.

Currently, we've got nine of our six exhibitions booked. So that shows you what the challenge is with respect to the calendar. And it actually worsens as we look into the future.

Mark Sellers: Nine out of 16.

Chris Davino: Yes, nine out of 16. But it's important to note that we've recently opened in Dublin, Athens, and Warsaw and they've all performed strongly out of the gate. People might have seen, we've recently announced that BODIES Atlanta will be extended through year end. And I think it's also important to note that New York and Vegas continue to remain strong in spite of the conditions.

Titanic. Titanic continues to fascinate and educate customers. If people aren't aware, we opened at the Luxor in December and that's gone well. We're also doing well here in Atlanta in the Georgia Aquarium. Last week, we announced a mobile tour sponsored by Country Financial, where the exhibition is going to be on tour visiting some 11 markets across the country through the several months, which we think is a great opportunity for the public, obviously, that hasn't had the ability to see Titanic in the museums that it's been in the past.

Star Trek is also doing well. We're in Detroit right now. I think the real test for Star Trek will be in Philadelphia when we go to the Franklin Museum in May. Dialogue in the Dark also I think

important to note that we believe it's turning the corner. We've had much better results of late here in Atlanta than we experienced when we opened. And we recently announced that we're going to extend through year end as well.

So again, clearly, there are some positives to build upon here. We're encouraged by some of the good results in spite of, again, some obviously extremely difficult market conditions.

On the other side of the coin, however, I think it's fair comment to say that the company faces significant challenges. As Mark indicated, and everyone on this call is aware, that in the recent past, the operating results have been poor at best. The company's burnt through significant cash and I guess, in my judgment, the company hasn't necessarily managed its assets in a manner that maximizes value or positions – or said another way really haven't positioned the properties optimally for long-term growth.

That's a very quick snapshot of what is. I could spend a lot of time diving into each of these areas. But rather, I think what probably makes more sense is to spend time describing what our initial areas of focus are and continue to be.

Our first priority, as you can imagine is to stabilize the company, operationally, and financially. Our goal in this manner is to achieve a break even cash flow, at a minimum as quickly as possible.

Normally, and I can tell you from experience in a lot of circumstances, what you try to do is first stabilize the business, and then from that vantage point begin to contemplate more strategic issues. Here, for a lot of reasons and I'll get into it, you really need to begin to stabilize the business at the same time that you begin to contemplate a long-term strategic business plan because the two are very interconnected. And I'll address each separately and tell you how they fit together and why.

The stabilization plan really includes four what I would describe as discreet pathways. And it starts with the very basics, developing a clear picture of what the company's cash flow and liquidity looks like over the next couple of weeks and months. And that means for anyone that's been at this before, developing a 13-week and really even a 26-week cash flow that's in the context of how the business is currently configured. That might seem like a very obvious endeavor to most folks. It certainly is to me, but historically that has not been part of the company's normal process, which certainly gives you a sense of how the company has been managed in the past.

So that in the main – that picture of cash is an important component to consider how the company is currently situated and what it needs. Then you begin to layer on top of it as we have three or four different drivers, if you will, each that effect liquidity in a major way.

First is, the core operations, making the core operations more efficient and profitable and I'll get to that.

Two, as Mark indicated, we need to assess and our assessing all of our third-party relationships and contractual relationships, really to make sure that they actually fit with what's needed here.

Third, we need to and we are assessing infrastructure. And obviously, I'll get into that later, but each of these areas are discreet in our primary areas of focus. I could spend a lot of time talking about each of them but I'll really just explore one or two to give some clarity or context for what we're facing here in terms of a fix.

Now, I'll talk a little bit about the operating plan. I'll be candid, for a lot companies that I, as Mark said, parachute into that face the kind of issues that this company faces, the initial focus is often on cost cutting. And not to stay that there aren't cost – opportunities for reducing costs here,

there are. But in our view and certainly in my judgment, the more pressing issue is in and around revenue and what I would describe as revenue architecture.

As Mark said, briefly, Premier faces challenges that I believe are unique to this industry. The company doesn't have predictable revenue base. As people are aware, the revenues are derived from both permanent exhibitions and traveling exhibitions, that can be anywhere from 3 to 6 months and often cases, longer. Those exhibitions are often booked well in advance. For museums, the lead time could be up to 2 years. For commercial venues, it could 3 to 6 months. Obviously, the longer you have, the better time you have – the more time you have to prepare the market.

The problem is if you don't book exhibitions back-to-back you've got assets sitting in storage not producing revenue. As a consequence, what you find yourself doing is rushing to market. And that creates a host of problems, many of which the company's experienced time and again.

Rushing to market means that you're going to markets that aren't ideal. That certainly haven't properly vetted. You end up working with promoters that aren't the best fit for what you need. You're in locations that aren't suited for the exhibitions you're trying to put up. In many cases, you're in locations that require costly build outs.

I think from what I've see historically, the company has faced all of those issues literally time and again. Most importantly, if you're rushing to market, you haven't had time to find sponsorship. You haven't had time to prepare the ground in terms of a media campaign. You haven't had time to prepare the ground in terms of outreach programs. And that's where this cuts. Success in this business cuts with being thoughtful and having a plan against all of these issues. And as Mark said, planning has been woefully inadequate here.

So that's what I would describe as the challenge with respect to revenue generally speaking. More specifically and candidly and I think more importantly, the company suffers from what I would describe as revenue architecture. What is revenue architecture? Well, said another way it's thoughtful systematic methodology for going to market. It's an issue that's really important on several levels, and it's really our primary focus over the last couple of months. Because clearly, without profitable, and I stress profitable revenue and the systems that produce it, all of the cost cutting in the world is not going to make a lasting difference.

So what's missing? I'm not going to speak for the prior management teams that have been here or their approach for facing the market. But what's clear is that in their absence, institutionally there's no systematic process that one would expect to see in a company this size. There's no analytical approach. And there's certainly no coordinated effort. Therefore, the first order of business in my view is to work with the exiting personnel to develop a rational market infrastructure and clearly here we're doing it from scratch.

And as Mark indicated, and really importantly, the good news in all of this is again we've got really talented people. These are people that although they haven't really been charged with this kind of effort in the past, they certainly haven't worked together in this vain, they're all coming together as a group and we're actually making a lot of progress. But guess what, it's a heavy lift. You're not going to turn an organization around this quickly in this way, but we're making progress. And I want to talk about some of the important areas that we're focused on.

The first question that we really have to face in going to market is whether or not to execute self runs or to have promotional relationships? If it's the latter, the question is do you want to have a national or international relationship? Or do you want to work with local promoters. If you decide to do self runs, which at least conceptually makes a lot of sense, the question is do you really have the horse power to affect it to execute? This company doesn't currently.

The second question is with self runs, do you have the capital that's required because it comes with capital? And again, in our circumstances today we don't.

I think the company has gone back and forth on this issue over time really somewhat in a reactive mode without a lot of thought or planning with respect to each approach. And I think the evidence of that is patently clear. The company has certainly struggled with self runs historically. We haven't had the right resources or capital against it. And I think the evidence again, from that, is clear.

So for us as a new management team, we're looking at that question anew - whether to do self runs, whether to be with promoters, whether to have an international relationship, national relationships, regional relationships. But even more important, again, in my view than the question of which pathway – which mode of operations you want to pursue, self runs, promoters, et cetera, to me what's really more important is having the requisite infrastructure around it in supporting it.

Going to market. What does it mean? Well, again, not to be pedantic because I think it should be clear to people, it was clear to me, even a guy coming into this industry without a lot of industry background, it really begins with an assessment of the market, the demographics. Beginning to have a point of view about what you're looking for in terms of a market that you're looking to enter. And there's a lot of work that we're doing now to begin to craft a rational approach to assessing market conditions and prioritizing various components in assessing one market compared to others in terms of opportunities.

The second critical issue in terms of revenue, what I would call revenue architecture is the promoter themselves. You need a framework to consider what promoter attributes are really important, vis-à-vis, their existing business models and how that fits with what your needs are, understanding their core competencies, evaluating what resources they deliver, what

relationships they have in certain markets with both elected officials, the targeted customer base, obviously, critical, sponsors, people – the media obviously media outlets. It's all critical to understand what they actually bring to the table and understand their ability to actually develop marketing plans and outreach programs which are really at a ground level what really cuts and makes an exhibit, an exhibition either successful or not successful.

Another key issue you know how these promoters are capitalized. Obviously, putting up exhibitions requires capital and it's a key consideration. So again all of these factors with respect to promoters are important and you need a consistent and thoughtful approach in evaluating all of this and the company historically just hasn't had it and we're building it anew.

Venues. Obviously, you need to have a pretty clear idea about what works. We've had a lot of experiences of being in relatively good markets and terrible venues and the results have been obvious from that that you struggled. You know certain venues, obviously, as we rush to market have required, as I said before, a lot of capital in terms of building out the space, something that we haven't been terribly thoughtful about that we're trying to fix, obviously, up front.

Media, another obviously, critical component. You need an approach. This is just with respect to the markets themselves. You need to evaluate the media opportunities in each market before you make a decision to go into it. And then, importantly, obviously, you need a plan, a comprehensive plan that fits with the market dynamics that are at play and they're all different from market to market. You can't have just one standardized approach.

So – now I've covered a little bit of ground here, just again with respect to the infrastructure in and around revenue, suffice it to say that at least in our view, that with a little bit of discipline and little bit of thought in advance, we can make a lot of progress. But as I said, it's going to take some time to change the habits of an organization that's clearly been in one mode for quite a long time.

I could spend a lot of time going through at the same level of details you know other areas of operations and things that we're and things that we're doing everything from production, design, public relations, education programs, marketing, all of the functional areas of the company. And I don't want to give the impression that nothing works because candidly a lot of things do work. I think most importantly, what we found is we have a lot of very talented people heading up you know different functional areas.

But we believe that there's a lot of opportunities within each of those areas, and really more important, I think we're getting a lot of bang for our buck with just better coordination and planning across functional areas bringing people together in a meaningful way we think all ready we're seeing a lot of results from just that.

A very obvious approach you know putting people in a room, sharing ideas, looking at what's worked, looking at what hasn't worked and creating a plan out of this to go forward. We see a ton of energy, a ton of great ideas, and we're really encouraged by what the people are bringing to the people, people that we have within the four walls of this organization.

The next area that's going to have a big impact on liquidity aside from general operations are the contractual relationships. As Mark indicated, we're in the process of assessing all of our third party relationships to see what the business actually needs and then to begin to craft a plan around that.

Overhead rationalization, again, we're at the very early stages of that assessment. We believe there's significant opportunities there to kind of what I would call reengineering the infrastructure to fit the business. But candidly that's going to come a bit later. I mean it's a work in process, but we will be in a position to articulate our focus there on the next call.

Business planning again I'm not going to spend a lot of time on that topic in this setting. But suffice it to say that what we do in the short term vis-à-vis our stabilization efforts really have a direct impact on the long-term viability of the business. Therefore, we have to be thinking strategically at this very early stage. By doing so it's going to identify what our capital needs are. Mark talked a bit about that before. And importance it's going to identify and has identified what our non-capital resource needs are and that really starts with people or talent. It starts with third party relationships that we had to bring to the table. And it starts with systems and processes that you would expect to see inside of a company of this size, certainly a public company.

So those are all of the things that are currently underway. Mark mentioned capital. You know we've – obviously the company has disclosed in the past that we might need to bring capital to the table. Mark reiterated that today. We've got a plan at this early stage to begin to attract the capital that we need, but again it's an early stage. Strategic alternatives, Mark also touched on this, again, early but we're obviously going to assess our (optionality) in that regard.

Lastly, I guess I would close with communications. Our mode, I think, is very different than what people have experienced in the past. Our approach is to be very up front with all of our partners and consistent in all of our communications and that includes not only you as shareholders, but importantly you as shareholders, it also includes promoters, landlords, vendors, and again importantly all of our employees who again we're having a different conversation with than I think existed in the past.

So that's briefly in a 10-minutes or so covering what we're initially focused on and kind of where we're headed.

Mark, I turn it over to you. Do you want to cover any other ground?

Mark Sellers: No. I think we've covered a lot today and people can go back and read the transcript or relisten to the conference call if they missed anything. There's a lot of information for people to take in. So I would recommend, if you're interested, read over the transcript and you can probably find a lot of information you may have missed the first listen.

We're not going to take any questions today. It will be more appropriate to do that when we announce earnings. And we'll announce a press release – we'll issue a press release in a few weeks giving a day for our earnings announcement.

And so that concludes this conference call. If you do have any questions, though, that were not answered on this call, you can feel free to call us or e-mail us and we'll try to answer your questions individually to the extent we're allowed to right now. Thanks.

Operator: And that does conclude today's conference call. We thank you for your participation.

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