



Media Release

RECKON UPSTAGES BEAR MARKET WITH 23% GROWTH

Sydney, 12 February 2008 – Reckon Limited (RKN) today announced revenue of A\$56.2 million for the full year ended December 2007, up 23 percent on the prior corresponding year, and earnings before interest, tax, depreciation and amortisation (EBITDA) of \$16.5 million, up 26 percent.

Highlights for the full year included an operating cash flow of \$14.6 million, up 19 percent, with a cash balance of \$14.1 million (at 31 December 2007), net profit after tax of \$9.9 million, up 21 percent, and earnings per share of 7.5 cents, up 21 percent. For the first time in Reckon's history, it will pay shareholders a fully franked dividend, of 3 cents per share.

Reckon Group Chief Executive Officer Clive Rabie said, "The overall performance in 2007 is very satisfying. It is pleasing to see our average revenue growth of 18 percent over the past three years rise to 23 percent and our second half growth improving substantially from an already impressive first half."

Reckon's organic growth continued to strengthen. Revenue was up 17 percent and EBITDA 27 percent over 2006.

"What I find particularly pleasing is that our strong revenue growth is across the board, with each of our business units contributing to the sustained success," Rabie said. "This highlights that we have made the right acquisition decisions and the group is gaining momentum in lucrative new markets."

"Development investment in our new Shelco business provides an opportunity for the company to pursue its strategy of widening the product offering to our customers while our Elite brand also recorded significant new sales."

Rabie noted Reckon's APS business continued to show steady growth. Revenue for 2007 was up 24 percent over 2006 while EBITDA increased 24 percent. Although expansion in the second half of the year was slower, investment in staff resources to meet increasing demand (especially consultancy resources) should reap benefits beginning in the second quarter of 2008.

"APS's position as product of choice amongst the Top 100 accounting firms was further confirmed by the signing of new contracts with Deloitte and PriceWaterhouseCoopers," he added.

Sales in Reckon's Business Division increased 23 percent while EBITDA for 2007 rose 27 percent, Rabie said. The division sold more licence renewals on the back of a strong financial software category. Rabie expects the trend to continue in 2008 with the launch of the QuickBooks QBⁱ range which represents a 'step change' in technology and functionality for small businesses while also allowing Reckon to enter the large enterprise market.

Mr Rabie concluded, "Given our strong cash position, we will continue to explore acquisition opportunities for businesses and technology to enhance our product and service offerings to customers in our territories."



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About Reckon

Reckon Limited (RKN) is a publicly-listed Australian company, providing best of breed business management solutions for the Wealth Management, SOHO, SME and Accounting sectors. Reckon comprises two divisions: Professional Division (Accounting) and Business Division (SME/SOHO and Personal Wealth Management).

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