

For immediate release
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Reckon posts positive half-year profit result

Sydney, 09 August 2011: Reckon Limited (RKN) has today announced a normalised earnings before interest, tax, depreciation and amortisation (EBITDA) growth of 8% for the 6 months to June 30, 2011, generated by strong performances in the company's Business and Professional Divisions; this is despite being adversely impacted by weak economic conditions in the UK and New Zealand, adverse exchange rates and a sluggish retail sector in Australia.

Reckon has posted an EBITDA of \$16.6million, with operating revenue of \$46.7million for first half of 2011. Reckon's normalised net profit after tax (NPAT) is \$9.3million for the first half of this year (\$8.3m after significant items outside normal operating activities), compared with \$8.8million at this time last year.

The Board has declared an interim dividend of 3.5 cents per share.

"It is pleasing to see solid organic revenue growth in our core businesses, and that the continual push for further efficiency gains is bearing fruit," said Clive Rabie, Reckon's Group CEO.

"Within the constraints of difficult market conditions, and the consequential delays in decision making, we continue our historical strong new product sales growth which in turn adds to our maintenance revenue base by adding new clients to the business each year."

Reckon's Business Division, well-known for distributing QuickBooks and Quicken accounting software in Australia, has continued to experience strong growth in its direct business, but has been impacted by weaknesses in the retail sector. The division is also seeing substantial new customer growth as a result of their online offering, QuickBooks Hosted.

The nQueueBillback Division EBITDA is down by 20%. Reckon says this is largely due to weak economic conditions, adverse currency movements and the transition of the UK business to new management. The division does however continue to grow market share at a solid rate.

Reckon says the Professional Division has posted EBITDA growth of 16% for the first half of 2011, notwithstanding economic difficulties in the UK and New Zealand, as a result of a strong performance in Australia. The company expects the Professional Division will perform more strongly in the second half of 2011 as a result of large contracts recently won.

"The group is well positioned as we pursue cloud computing opportunities in all of our businesses, as well as expanding our addressable markets in both the Professional and nQueueBillback Divisions," said Rabie.

"Our relationship with Intuit remains strong and we are excited about the opportunities that could arise from this partnership over the coming years."

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