



Media Release

## **RECKON ACHIEVES DOUBLE DIGIT GROWTH RATE FOR FIRST HALF 2008 BASED ON QB<sup>i</sup> AND APS SUCCESS**

**Sydney 11 August 2008** – Reckon Limited (RKN) today announced group revenue of A\$31.5 million for the six months ended June 2008 (up 11 percent on the prior corresponding half year) while earnings before interest, tax, depreciation and amortisation (EBITDA) were up 15 percent at \$9.4 million.

Highlights for the first half included earnings per share up by 12 percent to 4.2 cents and net profit after tax of A\$5.6 million, up 12 percent on the previous corresponding period.

Reckon Group Chief Executive Officer, Clive Rabie said, "The group's ongoing growth is attributable to the successful performance of both the Professional division (APS products) and the Business division (QuickBooks QB<sup>i</sup> series and related products)."

"Our strong results confirm the success of our business strategy to build organic growth, to widen the product and service offerings to our customers and to pursue complementary acquisitions," Mr Rabie added.

"As far as the acquisition of Espreon Limited's Corporate Services and Cost Recovery business is concerned, we can advise today that discussions continue between all the parties with a view to reaching an agreed scheme proposal that can be put to Espreon Limited shareholders," he said.

### **Reckon Professional Division**

The Professional division operating revenue was up 13% to \$10.6 million; with a very significant uplift in EBITDA of 29%, to \$2.6 million.

"The Professional Division showed growth in software sales, consulting and maintenance revenue. This reflects our growth in market share and continued rollout of products to existing customers, strengthening our position as the provider of choice for top accounting firms. Revenue growth in Australia was particularly strong. The division also benefited from the expansion of the consulting team last year," Mr Rabie said.

In the Professional division, Reckon will focus on taking advantage of its strong order book and continued roll out of a wide range of products and services to existing customers.

### **Reckon Business Division**

In the Business Division (for the SME, SOHO and Wealth Management sectors), operating revenue was up by 10% to \$20.6 million; while EBITDA was also up 10% to \$6.8 million over the previous corresponding period. The Business division EBITDA was impacted by development and marketing costs in the QuickBooks QB<sup>i</sup> series launch as well market development activity in New Zealand.



"The launch of our QuickBooks QB<sup>i</sup> series has provided a step change in technology for SMEs and the response has been very positive. Our further expansion into the enterprise market was particularly strong with 24% revenue growth," Mr Rabie said.

The personal market showed continued market share growth. Elite products also enjoyed success with 193 practices switching to the Elite Accountants' Suite.

"On that basis we look forward to further leveraging the technology advantage of the QuickBooks QB<sup>i</sup> series, developing growth in the enterprise sales channel, bringing Reckon Tools products to market, and completing the development of the ACR product and bringing it to market," he said.

"Overall, Reckon's results sustain our faith in our strategy to build organic growth, to widen the product and service offering to our customers and to pursue complementary acquisitions. This has been made possible through the support of our staff, professional partners and customers and we are grateful for their contribution to another strong start to our year," concluded Mr Rabie.

**ends**

**Notes to Editors**

For full financial results, please see the attached highlights commentary, and half year financial report for the period ending 30 June 2008.

**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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