

Media Release

Reckon shrugs off stumbling economy with double-digit profit rise

Sydney, 10 February 2009 – Reckon Limited (RKN) today announced revenue of A\$60.8 million for the full year ended December 2008, up 8 per cent on the prior year, and a net profit after tax of \$11.3 million, up 14 per cent.

Reckon, which supplies QuickBooks, Quicken and Elite software and is the parent company of APS, Reckon Espreon and Reckon Shelco, also posted earnings before interest, tax, depreciation and amortisation (EBITDA) of \$19 million, up 15 per cent.

Other highlights included an operating cash flow of \$16.3 million, up 12 per cent, a year-end cash balance of \$16.1 million and earnings per share of 8.5 cents, up 14 percent. For the second consecutive year, Reckon will pay shareholders a fully franked dividend, this time of 3.5 cents per share. In 2008, shareholders received an interim dividend of 2.5 cents per share, fully franked.

“Reckon continues to take strong strides towards its mission of becoming the leading Australian provider of best of class business software and practice management solutions,” said Reckon Group CEO Clive Rabie. “Our results and balance sheet testify to the success of our ongoing strategies of building through organic growth, expanding product and service offerings to existing clients and growing by acquisition.”

Reckon’s Professional Division increased its operating revenue to \$21.3 million, up 15 per cent on 2007, and EBITDA of \$5.3 million, a 46 per cent rise. Rabie attributed the growth to new business opportunities, demand for additional consulting services and a willingness of clients to add both new products and utilise the expanded capacity of the division’s consulting capabilities.

The Professional Division consolidated its position as the supplier of choice to Australia’s leading accounting practices and this is expected to continue with the January 2009 acquisition of Billback, a global leader in expense management solutions, Rabie said.

Reckon’s Business Division posted revenues of \$38.6 million, up 5 per cent over the preceding year, and EBITDA of \$13.7 million, a rise of 7 per cent.

Rabie credited the Business Division’s growth to the successful introduction of the QuickBooks QBⁱ series accounting software and fruitful sell throughs via the retail channel.

Business Division







Professional Division









“The QuickBooks QBⁱ series is a major technology change that is now scalable to mid-size enterprises,” Rabie said. “We also experienced impressive growth in our QuickBooks customer base through the Enterprise product. More than 150 accounting practices added our Elite software while significant enhancements to the Quicken 2009 product release also contributed to the success of the Business Division.”

Rabie said Reckon’s recent acquisition of Espreon’s Corporate Services division and its subsequent integration into the existing Reckon business model will be one of the company’s key strategies in 2009. Other integral components of the business plan include leveraging off the upcoming QuickBook’s 2009 QBⁱ series release, expansion of QuickBooks Enterprise offerings, the addition of software as a service products and marketing of Reckon Espreon and Reckon Shelco products through the company’s expanding partner network.

About Reckon

Reckon Limited (RKN) is a publicly-listed Australian company, providing award-winning business management solutions for the wealth management, SOHO, SME and accounting sectors. Reckon supplies QuickBooks and Quicken accounting and financial management software and is the parent company of APS, Reckon Elite, Reckon Shelco and Reckon Espreon. World headquarters are located at 35 Saunders Street, Pyrmont, NSW 2009 Australia. For more information, visit www.reckon.com.au or contact:

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