



**Reckon Limited  
Highlights Commentary  
Half Year Ending 30 June 2011  
8 August 2011**

Reckon is pleased to announce details of the company's results for the half year ending 30 June 2011.

	<b>6 months to June 2011</b>	<b>6 months to June 2010</b>	<b>% Growth</b>
<b>Operating Revenue</b>	<b>\$46.7 million</b>	<b>\$46.5 million</b>	<b>-</b>
<b>EBITDA before significant items</b>	<b>\$16.6 million</b>	<b>\$15.3 million</b>	<b>8%</b>
<b>EBITDA after significant items</b>	<b>\$15.7 million</b>	<b>\$15.3 million</b>	
<b>NPAT before significant items</b>	<b>\$9.3 million</b>	<b>\$8.8 million</b>	<b>5%</b>
<b>NPAT after significant items</b>	<b>\$8.3 million</b>	<b>\$8.8 million</b>	

The group has continued to build on the strength of its two core businesses in Australia in the first half of 2011, resulting in EBITDA margins improving from 33% in 2010 to 35.5% for the 2011 half year.

- The Business Division has grown EBITDA by 8%. This was mainly attributable to growth in direct revenue, with particularly strong performances in both the enterprise and online offerings. The division was however been impacted by a substantially weaker retail channel in 2011. We have nonetheless continued to enjoy market share growth in the retail channel and in addition the business continues to add substantial numbers of new customers through its online offerings.
- The Professional Division has grown EBITDA by 16%. The performance in Australia was particularly strong. The result was however negatively impacted in both the United Kingdom and New Zealand by tough economic conditions and weaker currencies. New revenue growth in the Australian Professional Division was especially encouraging, as was the continued addition of new customers in all countries. Recent large contracts won in both the United Kingdom and New Zealand should help improve the results in these countries in the second half.

QuickBooks®

Quicken®

ReckonElite

ReckonDocs

aps  
Accountable Technology

nQUEUE  
BILLBACK



- The nQueueBillback Division EBITDA was down by 20%, impacted by substantially weaker currencies, weaker economic conditions and the transition of the UK business to new management. Pleasingly, these businesses are still growing market share at a solid rate, as is evidenced by the quantum of new sales representing circa 30% of the overall revenue in this division.

Significant items outside of normal operating activities have adversely impacted the reported NPAT result by \$0.9m, representing a provision for the anticipated rent shortfall on the company's old Pymont premises following its move to North Sydney, partially offset by the gain from the settlement of the litigation with Espreon. The net saving from the premises move, however, will more than offset this provision over the period of the lease.

Group CEO, Mr Clive Rabie said:

"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.

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.

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.

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

For further information, please contact:

Mr Clive Rabie, Group CEO, Reckon Limited, (02) 9577 5946, [clive.rabie@reckon.com.au](mailto:clive.rabie@reckon.com.au), or

Mr Chris Hagglund, Group CFO, (02) 9577 5414, [chris.hagglund@reckon.com.au](mailto:chris.hagglund@reckon.com.au)