

Reckon growth continues with 20 per cent profit increase

Sydney, 9 February 2010 – Reckon Limited (RKN) today announced a net profit after tax of A\$13.6 million, up 20 per cent, (after business acquisition restructure costs) for the full year ended December 2009.

Reckon also posted earnings before interest, tax, depreciation and amortisation (EBITDA) of \$25.1 million, up 32 per cent on the previous year. Earnings per share rose to 9.9 cents, a rise of 1.4 cents, or 17 per cent.

“While times were tough in some of our markets in 2009, the company managed to return an excellent result,” said Reckon Group CEO Clive Rabie. “We generated organic profit growth in the existing businesses resulting from both increased revenue and carefully managing costs.”

Reckon’s Business Division enjoyed 29 per cent increases in both operating revenue to \$49.9 million, and EBITDA to \$15.9 million. Operating revenue for Reckon’s Professional Division rose 32 per cent to \$28.1 million while EBITDA jumped 26 per cent to \$11.6 million. The nQueue BillBack division posted operating revenue of \$7.3 million with EBITDA of \$2.4 million,

Rabie noted the Business Division had strong growth in direct sales while experiencing weaker full product sales mainly as a result of lower sell through in the retail channel and de-stocking by the bigger retailers. However, full product sales showed signs of growth in November and December 2009 and into January this year on the back of the Enterprise and Elite products, plus QuickBooks Online.

The Professional Division, Rabie said, experienced strong growth in both the Australian and United Kingdom accounting markets with smaller gains in New Zealand.

Rabie added Reckon’s nQueue BillBack joint venture showed positive results in its first 6 months and is well positioned to gain market share in the United States with an upcoming rollout of new products to existing customers.

Summarizing Reckon’s outlook for the future, Rabie said:

“Reckon is well positioned to continue organic growth with an exciting product roadmap which will move us into the so-called “SaaS” market. We will continue to expand the product suite further and offer more to the enterprise and micro markets as well as to the accounting and legal markets.

“It remains our aim to build a strong customer base and leverage the full suite of our products into that base, across all divisions.”



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 Docs and BillBack. World headquarters are located at 35 Saunders Street, Pyrmont, NSW 2009 Australia.

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