



Notification to the ASX

19 June 2003

Reckon Limited (RKN)

MARKET UPDATE

As outlined in the Chairman's address at the Annual General Meeting held last month, during 2003 Reckon has been focused on consolidating the turnaround in performance achieved in 2002.

In particular, this improvement in the performance of the Company is being driven by:

- The release of new versions of existing products;
- Offering new products and services to our customers;
- Educating the accountant market about the benefits of our products and services;
- Targeting small businesses as they embrace business for the first time;
- Increasing the product offering to medium sized businesses; and
- The ability to concurrently release the same version of major products developed by Intuit as are sold in the US and Canada.

In addition to the above, Reckon has continued to improve the efficiency of its operations and reduce product and administration costs generally.

Reckon continues to be confident that these initiatives will have a positive impact on the company's performance for the six months to 30 June 2003. The Company advises that, based on internal management accounts, it expects the net profit after tax for the six months ending 30 June 2003 to be in the order of \$2.2m-\$2.4m. This compares with the actual net profit after tax for the corresponding period last year of \$0.245 million (excluding a \$1.002 million one off adjustment due to a change in accounting policy – a reported net profit after tax of \$1.247 million).

Also as flagged in the Chairman's AGM address, the Company advises that it is on track to release the following during the second half of the year:

- A new version of Payroll Premier, the most widely used stand-alone payroll solution in Australia.
- Version 6 of QuickPOS, our point of sale solution that has been developed and designed specifically for small to medium-sized retailers.
- CashBook 2004.
- QuickBooks Enterprise Solutions, a new product designed specially for medium-sized enterprises of between 20 and 150 employees.

For further information, please contact:

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