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23 June 2003

Kara Mitchell
Companies Advisor
Australian Stock Exchange

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Fax: 9241 7620

Dear Kara

PROFIT QUERY

With reference to your letter dated 20 June 2003, Reckon Limited replies to each of the four questions as follows:

1. The Company first became aware that the net profit after tax for the six months ending 30 June 2003 would be different from the previous corresponding period on 19 June 2003.
2. Not applicable.
3. Not applicable.
4. The Company can confirm that it is in compliance with listing rule 3.1.

We trust that this meets with your requirements.

Yours sincerely


Myron Zlotnick



ASX

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20 June 2003

Myron Zlotnick
 Reckon Limited

By Facsimile: 02 9577 5555

Dear Myron

Reckon Limited (the "Company")

RE: PROFIT QUERY

We refer to the following:

1. The recent trading in the securities of the Company including:
 - The rise in share price from a close of 29 cents on 16 June 2003 to 33.5 cents on 19 June 2003; and
 - The increase in the volume of securities traded from 1,470,500 on 16 June 2003 to 8,499,431 on 19 June 2003.
2. The Company's announcement released to Australian Stock Exchange Limited ("ASX") on 19 June 2003 in which it stated that, *"based on internal management accounts it expects the net profit after tax for the six months ending 30 June 2003 to be between \$2.2 and \$2.4 million. 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)"*.

We also wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive officer (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

The guidance note titled 'Continuous disclosure: listing rule 3.1' states that if, on reviewing management accounts, an entity becomes *aware* that the actual revenues and profit for the period may not meet the financial results for the previous corresponding period, disclosure is required.

Having regard to the above definition, listing rule 3.1 and the guidance note on continuous disclosure, we ask that you answer the following questions in a format suitable for release to the market.

1. When did the Company first become aware that its net profit after tax for the six months ending 30 June 2003 would be significantly different from the previous corresponding period?
2. If this was before 19 June 2003, please identify an earlier announcement from the Company which disclosed that the Company's net profit after tax for the six months ending 30 June 2003 would be significantly different from the previous corresponding period?
3. If there was no earlier announcement, and the Company became aware of the increase prior to 19 June 2003, please advise why the information was not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1.
4. Please confirm that the Company is in compliance with listing rule 3.1.

If the above information is required to be disclosed under listing rule 3.1, your obligation is to disclose the information immediately. Otherwise, your co-operation in lodging a response to the abovementioned questions in a format suitable for release to the market would be appreciated before 4.00 pm EST on Monday 23 June 2003.

ASX reserves the right to publish information it receives. Under listing rule 18.7A, a copy of this query letter and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Your response should be sent directly to me on facsimile number 02 9241 7620. Your response should not be sent to the Company Announcements Office.

Trading halt

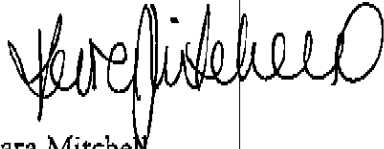
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation

would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Yours sincerely



Kara Mitchell
Companies Advisor

Direct Line: (02) 9227 0629