



Chairman's Speech

for

Annual General Meeting of

Reckon Limited

To be held at 10am on 29 May 2007

at

35 Saunders Street

Pymont NSW 2009

I aim to keep this address reasonably short today.

Performance

As I have reviewed my AGM speeches over the last few years I notice an almost monotonous positive trend. This is by no means to say that we are complacent about the company's performance. Far from it. In fact we continue to pursue growth and seek out ways to increase our performance and returns to shareholders.

Thus, it once again gives me great pleasure to report on the performance of Reckon Limited for the period ending 31 December 2007. It was year in which all the key indicators bear testimony to a well run and healthy business.

Group revenue was up 23% to \$56.2 million; group EBITDA was up 26% to \$16.5 million; group NPAT was up 21% to \$9.9 million; and operating cash flow was up 19% to \$14.6 million. Earnings per share were up 21% to 7.5 cents per share.

The second half performance of 2007 was especially pleasing in respect of revenue with growth of 24%; EBITDA with growth of 30%; and NPAT with growth of 27%.

The final dividend for 2007 was up 20% to 3 cents per share and for the first time is 100% franked.

The basis for this performance remains the excellent contributions of the two key businesses that comprise the company as well as improvements in recurring revenue or maintenance revenue in the second half. This is an excellent foundation for 2008.

The Professional division grew revenue and EBITDA by 24%. Significantly it also procured 2 of the top 4 accounting firms as clients. APS management remains committed to their service ethos and supplying superior technology.

The Business division grew revenue by 23% and EBITDA by 27%. The underlying business revenue growth was 14% and EBITDA was 28%.

Copies of our results and presentations to market analysts are available on our web site and shareholders are welcome to review these documents for the details of our performance.

Technology

I do want to emphasize, again, our commitment to superior technology. The fact that the Professional division is making inroads into the Top 4 accounting market is evidence of their acceptance of the quality of the products. This is on top of our continued success in market share for other larger accounting firms.

Importantly, the Professional division has boosted its staff complement on the consulting side to cope with demand from existing and new customers.

We also often mention the massive advantage we derive from Intuit Inc's US\$300 million plus annual research and development spend and the efficiency we enjoy by not having to own the intellectual property. We only pay for what we sell. So it is very exciting for me to be able to draw your attention to another technological breakthrough that we enjoy courtesy of Intuit Inc.

We have just launched – and hopefully you will have seen this in the market already – our new QuickBooks QBi series.

From a customer perspective, the QBi series dramatically improves QuickBooks in terms of database management using so-called SQL technology. In very simple terms what this means is that the product is easily scalable for any business, it has a much faster processing speed, a virtually infinite number of transactions and can allow up to 30 simultaneous users. On top of this, the new series has a range of new features that are designed to make accountants' lives easier.

It is, after all, through our network of accountants that we sell QuickBooks and if their lives are made easier by our products the greater the chance they will continue to recommend the product to their customers.

Both accountants and small businesses benefit from the new product.

The feedback from roadshows in which the QBI series has been demonstrated so far is very positive.

Future

We have stated that it is our mission to be the leading Australian provider of best of breed business management solutions for the SME, SOHO, Accounting, Professional and Wealth Management sectors.

Based on that we find that our organic growth combined with expansion of product and service offerings to existing customers continues to contribute to performance. We are conscious of expectations about global markets, but our focus remains in Australia, New Zealand and the United Kingdom.

As always we continue to keep an eye out and pursue acquisitions but this approach is very targeted and we are very fussy. We need the right mix of products, quality of technology and investment return before we will commit our balance sheet to material acquisitions.

We have seen growth in the first third of 2008 that augurs well for the group to sustain its success in spite of recent economic events and market volatility in certain sectors.

Finally, I would like to acknowledge and thank the executive team and all the employees of Reckon for their contribution to the success of the company. And of course, I would also like to thank the shareholders for their support as well as the support of our network of professional partners and our customers.

I now return to the resolutions before shareholders today.

Annual General Meeting

29 May 2008

Performance Highlights - year ended December 2007

Reckon Group

Revenue **up 23.1% to \$56.2m**

EBITDA **up 26.4% to \$16.5m**

NPAT **up 21.1% to \$9.9m**

Operating Cash Flow **up 19% to \$14.6m**

EPS **up 21% to 7.5 cents per share**

Half year analysis - year ended December 2007

	2007	1 st Half	2 nd Half
Revenue	56.2m	28.4m	27.8m
Growth	23%	22%	24%
EBITDA	16.5m	8.2m	8.3m
Growth	26%	23%	30%
NPAT	9.9m	5.0m	4.9m
Growth	21%	16%	27%

Performance Highlights - year ended December 2007

Final dividend **up by 20%** to 3.0 cents per share

Dividend franked to **100%**

Performance Highlights - year ended December 2007



Professional Division

Operating revenue **up 24% to \$18.6m**

EBITDA **up 24% to \$3.7m**

Performance Highlights - year ended December 2007

Business Division

Operating revenue **up 23% to \$36.8m**

EBITDA **up 27% to \$12.8m**

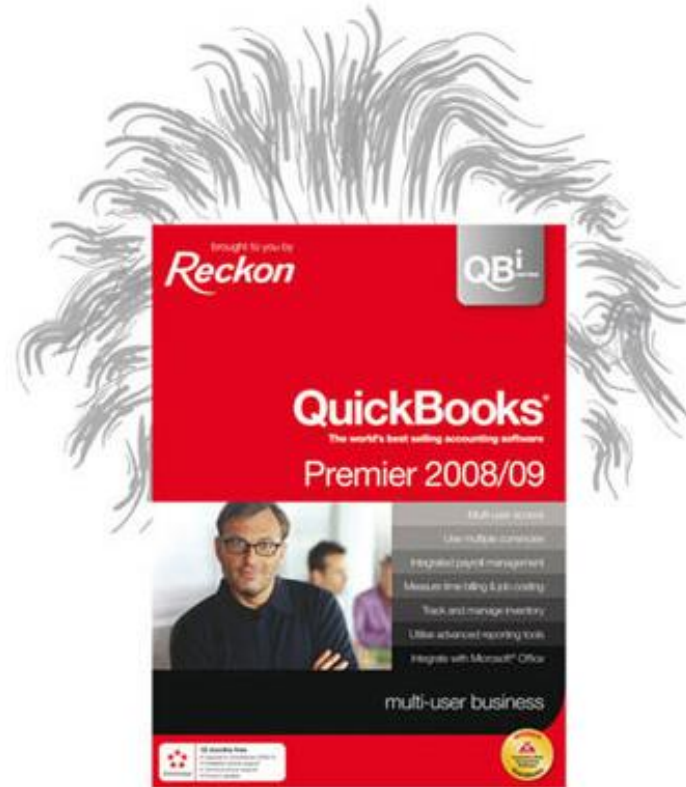


Proxy results

Resolution	For	For as % of total votes cast	Against	Chairman's discretion	Abstain
2	51,057,246	98.64%	60,678	640,462	79,438
3	51,087,096	98.70%	30,828	640,462	79,438
4	32,912,978	97.97%	406,568	132,310	117,866
5	32,994,498	98.36%	283,015	124,310	167,899

Reckon Limited

AGM 2008



Simply Einstein.

QBⁱ_{series}
Simply genius.