



Chairman's Speech

for

Annual General Meeting of

Reckon Limited

To be held at 10am on 19 May 2009

at

35 Saunders Street

Pymont NSW 2009

Performance

Notwithstanding these testing economic times, both in Australia and globally, it is reassuring that I can again report that the company's performance enjoys positive trends.

The results for the year ending 31 December 2008 bear testimony to a well run and healthy business.

Group revenue was up 8% to \$60.8 million; EBITDA was up 15% to \$19 million; NPAT was up 14% to \$11.3 million; and operating cash flow was up 12% to \$16.3 million. Earnings per share were up 14% to 8.5 cents per share.

The final dividend for 2008 increased 1 cent per share on the interim dividend of 2.5 cents per share, fully franked. This takes the company's dividend payout ratio to 71%.

Growth in revenue, strong management of costs and the benefits of a sustainable customer base has resulted in strong group performance from both the Professional Division and the Business Division.

The Professional division grew revenue by 15% and EBITDA by 46%. It continues to experience strong growth by positioning itself as a market leader in the provision of practice management systems to large accounting practices. APS has enjoyed increases in consulting revenue as a result of the expanded implementation capacity built in the 2007 financial year and the higher margins due to the lower proportion of third party product sales. I am also pleased to report that APS software was awarded "Practice Management Software of the Year" in the UK "Accountancy Age Awards".

The Business division grew revenue by 5% and EBITDA by 7% despite a slowing in retail sales in the second half of 2008 and costs incurred with the development and rollout of QBi. For those of you who don't know, the QBi version of QuickBooks is built on an SQL database which means customers enjoy a highly scalable, fast processing, feature rich version of QuickBooks.

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.

Growth

As announced in January 2009, we completed the acquisition of the Corporate Services and BillBack businesses from Espreon Limited. The addition of these businesses complements the company's ability to achieve revenue growth in the near to medium term.

Through the expansion of Reckon's Corporate Services business and the addition of BillBack to the stable, the company is now able to provide a wider range of services to accounting and professional service organisations. So in addition to our traditional software services, we now provide cost recovery and expense management solutions for legal and other professional firms, as well as content and services related to company registrations, self managed super funds, trust documentation and ASIC compliance.

Technology

The Professional division is continuing to increase its market share, including sales of additional modules into the Top 4 accounting firms and other larger practices. The Professional division is also in the process of finalising the development of a new tax product with the added potential for functionality and features brought about by a ".Net" platform.

As I previously mentioned we have received further recognition of the quality of our Professional division's products with the "Practice Management Software of the Year" award in the UK.

Importantly, the Professional division has continued to maintain strong new client acquisition and has taken advantage of its boosted staff complement on the consulting side to cope with demand from existing and new customers. This resulted in a strong profit uplift particularly in the second half of 2008.

The addition of Reckon Docs Online, launched in early May, and Reckon Docs Desktop, to be released by mid-year, expands the company's opportunities for growth. With these products, accountants and business owners are able to expedite the processing of numerous company secretarial compliance services, saving them time, effort and expense.

The release of our new QuickBooks QBi series with its raft of new features has been a success resulting in strong growth of the

QuickBooks Customer base. We are now leveraging off the momentum generated by the QuickBooks QBi series with the 2009/10 QBi release. We also very excited about the prospect of the imminent release, of QuickBooks Online. This product drives straight at making accountants' lives easier. QuickBooks Online does not require any software to be installed, gives easy access to applications and data, all based on a secure A Grade data centre managed by Reckon.

The broad product offering of the Reckon Group enables it to leverage its range of products and services off one another. This gives us the benefit of not only stronger sales but also being able to provide tangible benefits to a growing customer base.

Future

Our mission is to be the leading Australian provider of best of breed business management solutions for Small and Medium Sized Enterprises and larger businesses, Small Office Home Office, Accounting, Professional and Wealth Management sectors.

We find that our organic growth combined with expansion of product and service offerings to existing customers continues to contribute to performance. Our operations in Australia, New Zealand and the United Kingdom have now been expanded by potential opportunities in the USA.

Our ever-growing network of partners amongst accountants, bookkeepers, business and IT consultants continue to be a cornerstone of our growth strategy. We are also pursuing expanding that network into legal practices, both for BillBack and ReckonDocs.

In addition to continuing to pursue organic growth and suitable acquisitions, the focus of the company in 2009 will be:

- consolidation, particularly the integration of Espreon Corporate Services into the company and realising the cross-selling opportunities and synergies offered by the recent acquisitions;
- expanding the SAAS products through Reckon's A Grade Data Centre solutions, including QuickBooks online;
- leveraging the QuickBooks 2009 QBi series and scalability of QuickBooks Enterprise;
- exploring the opportunities presented by BillBack; and
- building on APS' pedigree to cement and acquire a growing customer base.

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

19 May 2009

RECKON GROUP

- Revenue **up 8% to \$60.8m**
- EBITDA **up 15% to \$19.0m**
- NPAT **up 14% to \$11.3m**
- Operating Cash Flow **up 12% to \$16.3m**
- EPS **up 14% to 8.5 cents per share**

RECKON GROUP

- Final dividend of **3.5 cents per share**
- Dividend franked to **100%**
- Dividend payout ratio is **71%**

Performance Highlights - year ended December 2008



Professional Division

Operating revenue **up 15% to \$21.3m**

EBITDA **up 46% to \$5.3m**

Performance Highlights - year ended December 2008

Business Division

Operating revenue **up 5% to \$38.6m**

EBITDA **up 7% to \$13.7m**

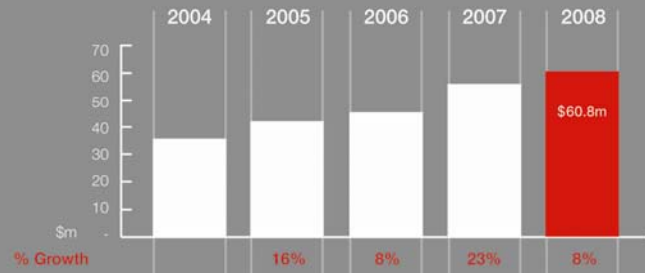
QuickBooks® QBⁱ series

5 Year Trend



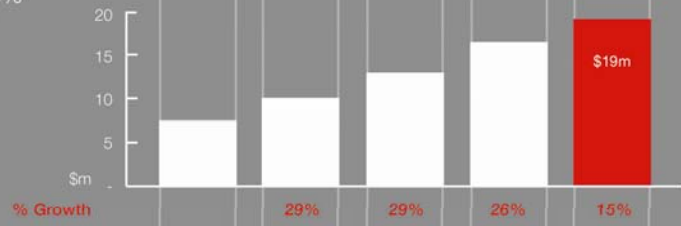
Revenue

Group revenue was up 8% to \$60.8 million from \$56.2 million.



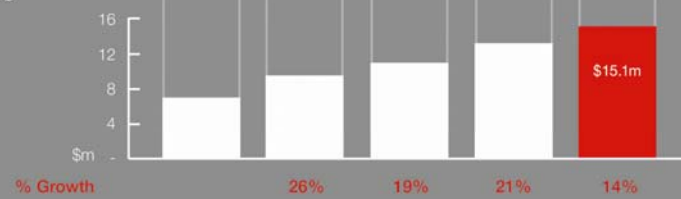
EBITDA

Group EBITDA was up 15% to \$19 million from \$16.5 million.



NPBT

Group NPBT was up 14% to \$15.1 million from \$13.3 million.



Proxy Results

Resolution	For	For, as % of total votes cast	Against	Chairman's discretion	Abstain
2	66,942,346	98.81	521,077	286,807	47,983
3	65,681,759	97.09	1,648,877	320,005	147,572

ReckonElite

ReckonTools

ReckonShelco