

*Reckon*

# Goldman Sachs Conference

May 2011

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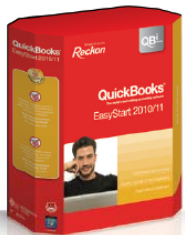
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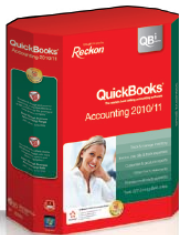
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**BILLBACK**  
 Information Accountability



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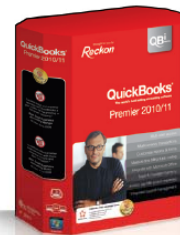
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## Performance Highlights – Year Ended December 2010

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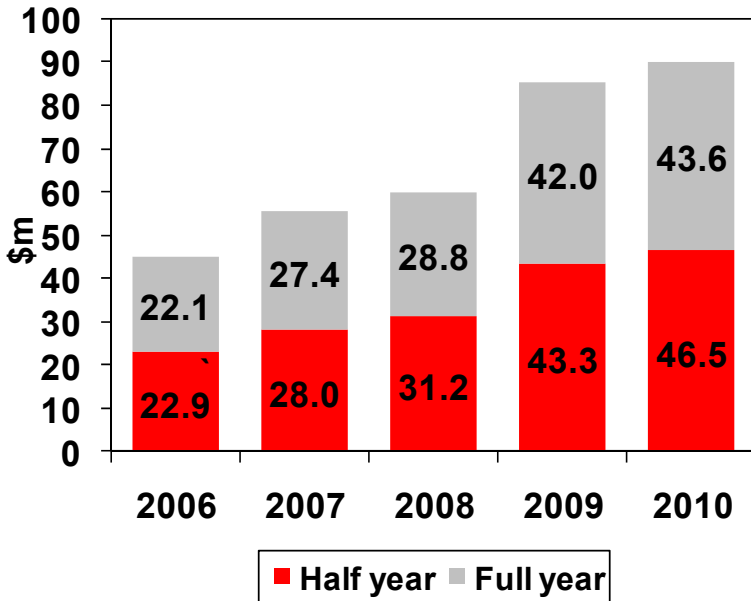
Operating revenue      **up 6% to \$90.1m**

EBITDA                      **up 20% to \$30.2m**

NPAT                         **up 27% to \$17.2m**

## Group trends over last 5 years

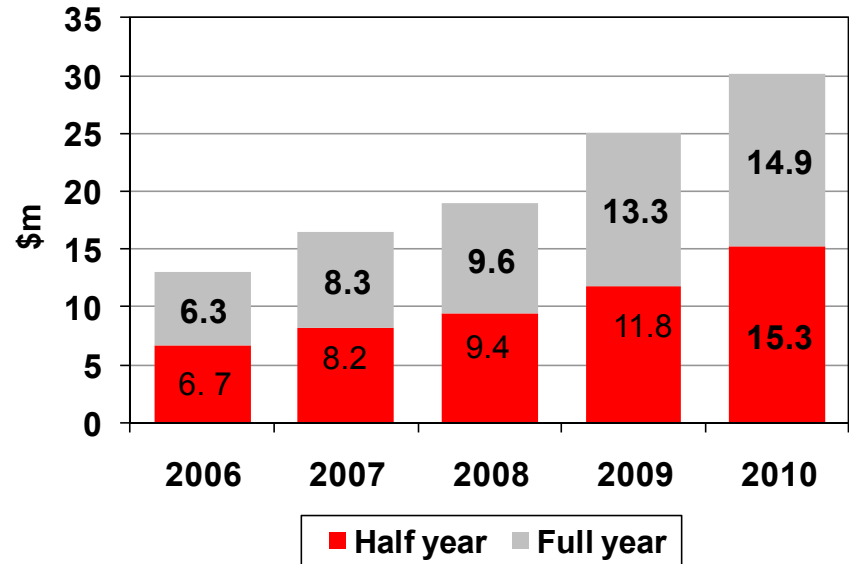
### Operating revenue



Cumm Growth

100%

### EBITDA



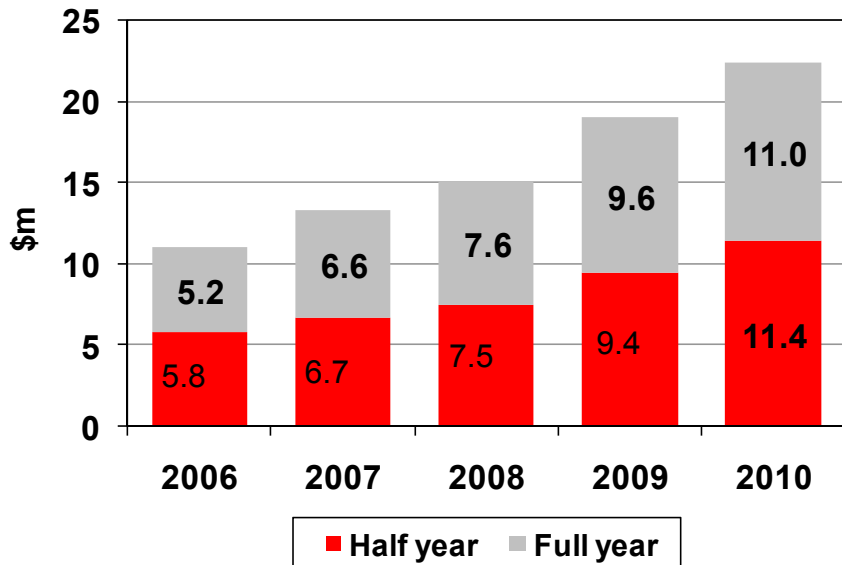
Cumm Growth

132%

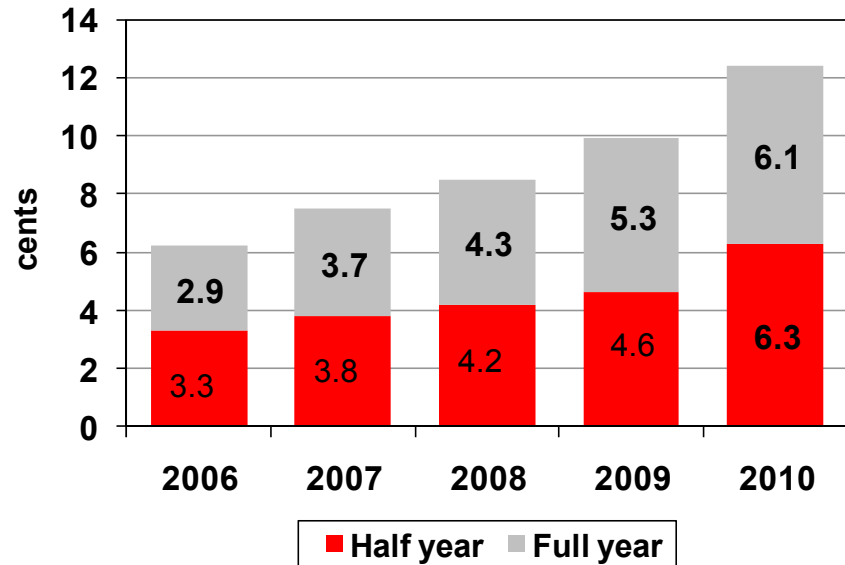


## Group trends over last 5 years

### NPBT



### EPS





## Business Division Revenue

Business software suitable for SME's through to larger enterprises, personal financial software, content provider & practice software for smaller accounting firms

Represents 62% of Group Revenue

- Markets
  - Australia 96%
  - New Zealand 4%
- Channels
  - Direct 88%
  - Retail 12%
- Products
  - QuickBooks/ Quicken 58%
  - Corporate Services 26%
  - Elite, Membership, POS and Other 16%



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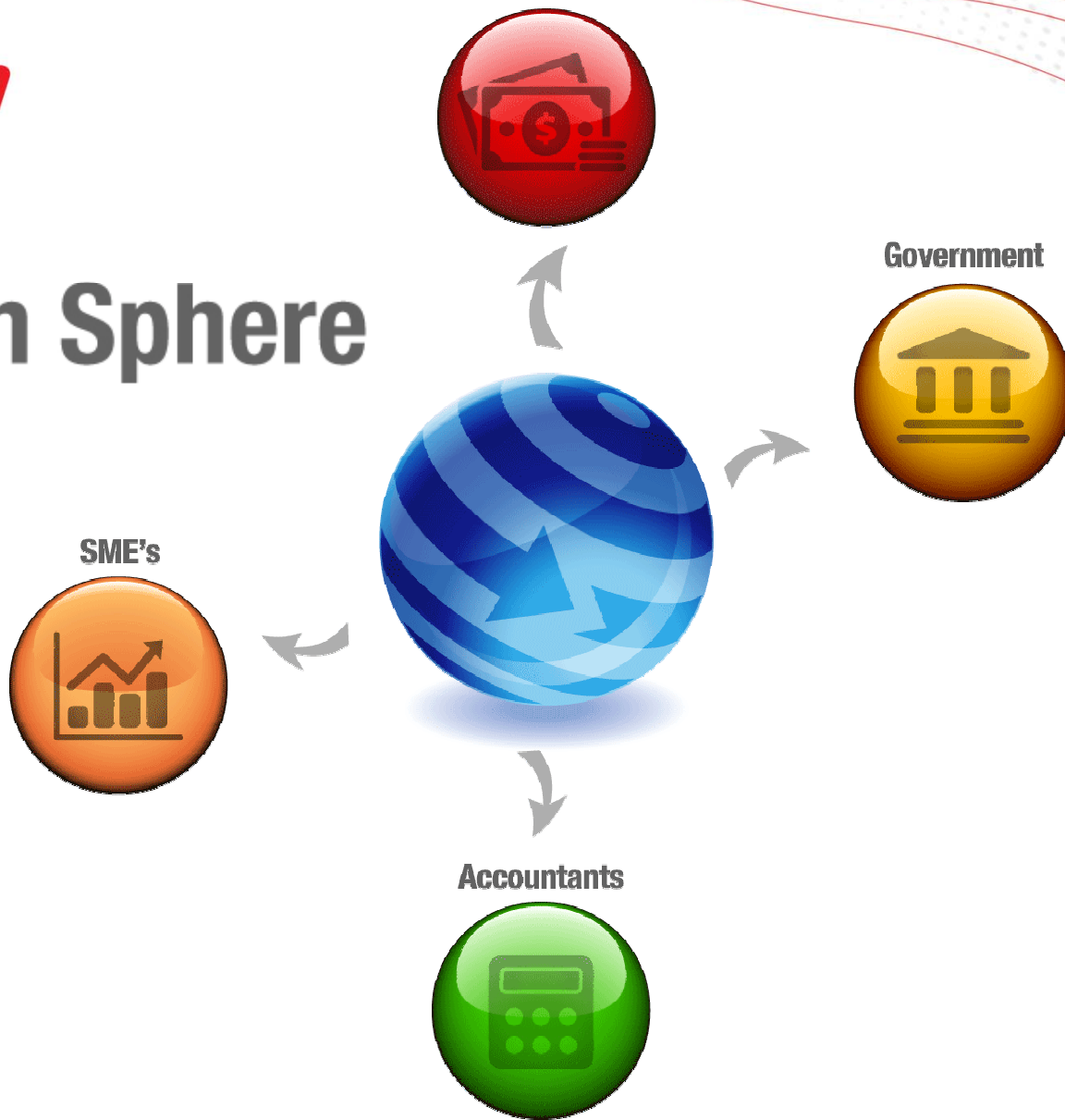
## Business Division – Growth Opportunities

- QuickBooks range – expect a continuation of strong and steady growth to be maintained in our core products, driven in particular by:
  - High growth rate in the enterprise space
  - High growth rates in online users
  - Roll out connectivity/integration with banks, government, accountants & practice management software
  - Increase in recommendation by Accountants & Bookkeepers
- Launch of the Reckon developed Cashbook online product targeting entry level users
- Expanded online offerings (possibly via Melbourne IT), such as
  - Exchange Hosting
  - Web Hosting
  - Domain names
- Leverage APS relationship to cross sell business products and company secretarial products



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## Reckon Sphere



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## Business Division - Risks

- Retail market remains volatile from year to year
  - Poor retail market resulting in weak sell-through to end customers in 2011, and retailers are again de-stocking
  - This will result in lower sell-in to retail, despite market share growth
- New Zealand
  - Weak NZ economy in 2011 compares against a once-off gain last year due to changes in GST
  - Adverse impact of exchange rates





## Professional Division Revenue

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Extensive suite of enterprise level practice software for accounting firms

Cost recovery software, print solutions, expense management solutions and other related modules targeted specifically to the legal profession in Australia only

Represents 28% of Group Revenue

- Markets

- Australia 75%
- New Zealand 17%
- United Kingdom 8%

- Revenue by Product Mix

- Maintenance 70%
- Consulting 19%
- Software 11%





## Professional Division – Growth Opportunities

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- Australia
  - Orders taken in Q1 are well up on Q1 in 2010 (delivered over the remainder of this year)
  - New products gaining traction – average client has 3 to 4 modules out of a suite of 14 modules
  - Mid market expansion opportunities
- New Zealand
  - New sales expected to be steady in a subdued market, assisted by new product roll-outs
- United Kingdom
  - Major client won (delivered over the remainder of this year)
- All countries
  - Expected continuation in maintenance revenue growth (from new sales and price)
  - Mobility solutions increasingly demanded by clients
  - Hosted solutions also receiving increased focus





## Professional Division - Risks

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- Australia
  - Consulting team is still being rebuilt – revenue (capacity) lag in 2011
- New Zealand and United Kingdom
  - Both markets remain weak
  - Both impacted by adverse exchange rates





## nQueue Billback Division Revenue

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Cost recovery software, print solutions & expense management solutions and other related modules historically targeted at the legal profession, but now expanding to other industries

Represents 10% of Group Revenue

Markets:

- USA 78%
- UK 22%

74% shareholding in the USA and 75% in the UK

Market - historically targeted at the legal profession, and as such is strategically placed in the top 250 law firms



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## nQueue Billback Division – Growth Opportunities

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- Increased sales team and reseller relationships to target:
  - Continued market share growth
  - Expanded geographies in the USA and UK/Europe
  - Mid sized legal market
  - Commercial market – 1<sup>st</sup> Major Customer won
  - Q1 orders taken are well up on prior year



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## nQueue Billback Division – Risks

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- United Kingdom
  - Market remains weak
  - Transition to new management team still in progress
  - Impacted by adverse exchange rate
  
- USA
  - Impacted by adverse exchange rates





## In summary

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- We remain focused on continued organic growth arising from our substantial recurring revenue client base in all divisions
- Continued gains in market share is expected in all divisions
- New and exciting opportunities exist in:
  - SaaS offerings in all divisions
  - Rollout of our extended product range to existing markets/ clients
  - Introduction of new products to new markets
- As always we will continue to consider suitable acquisitions



Questions

**Thank you**