



Chairman's Speech

for

Annual General Meeting of

Reckon Limited

To be held at 10am on 24 May 2011

at

**Level 12
65 Berry Street
North Sydney
NSW**

[Slide 1 – Reckon AGM logo]

It is again my pleasure to present the Reckon Limited results for the year ending 31 December 2010.

It is also a pleasure to welcome you all to our new premises.

We now have all of our divisions situated in the one location with the Business Division completing its move from Pymont last month.

Performance

As you can see in the first slide **[Slide 2]**, the Group again achieved excellent results with:

- Operating Revenue up 6% to \$90.1 million;
- EBITDA was up 20% to \$30.2 million;
- NPAT was up 27% to \$17.2 million; and
- Earnings per share were up 25% to 10.5 cents per share.

The historical performance of the company is well represented in the second slide. **[Slide 3 - Page 2 of the Annual Report]**

In each of the key areas the trend is upward.

It is very pleasing as Chairman of this Company to stand before you and show this sort of consistency.

But, we are not complacent and these results are the product of hard work and vigilance to the range of pressures that this type of business is subjected to.

The board and management have, as is reasonably well known, largely stuck with the same tested strategy. But we remain conscious of the need to be nimble in a fast moving technological world and we adapt our core strategy accordingly.

We are also generally conservative, dare I say “picky”, about acquisitions and we look for deals that make sense and deliver returns.

Melbourne IT

It is against that background that I will first make mention of our announcement on the 4th of May this year about our investment in Melbourne IT, as I am sure that is at the forefront of most of your minds.

I can't really provide much more information at this stage beyond what was announced but can tell you that management presently see

Melbourne IT as having a range of products, especially in the IT services area, for example: hosting, e-mail exchange servers, domain security and the like, that present logical accompaniments to the products and services we currently offer small businesses. There may also be opportunities for our Professional Division.

On that basis we thought it made sense to acquire a stake in what might become a strategic partner.

It is early days and we continue to explore the commercial potential between the two companies.

Divisional Review

By now, I hope that you are familiar with our performance across all our divisions and I won't dwell too long on what was announced to the market back in February.

The Business Division had revenue growth of 12% with strong contributions from retail sales as well in the Enterprise space, which includes our online offering, which we call QuickBooks Hosted, brought to you by Reckon Online. **[Slide 4 – Page 13 of 2010 results presentation]**

The nQueue Billback Division also performed well with revenue growth of 29% excluding the impact of adverse foreign exchange movements. **[Slide 5 – Page 22 of 2010 results presentation]**

The Professional Division, candidly, had an ordinary performance. **[Slide 6 – Page 17 of 2010 results presentation]**

But the prospects for 2011 already show an improvement with the lag of the global financial crisis that hit accounting firms now showing signs of relief and renewed customer interest.

Opportunities

As far as the opportunities are concerned, we are seeing in the Professional Division that orders for the first quarter of 2011 are well up on the same period in 2010, and we hope to see the delivery of these orders taking place over the rest of this year.

Some exciting prospects for the Professional Division include: exploring expansion opportunities for APS modules in the mid-market space, and we are looking at mobile solutions and a hosted option.

For the Business Division, we expect strong and steady growth in core QuickBooks products driven especially by growth in the Enterprise space, growing take up of our hosted product for online access to

QuickBooks, and rolling out connectivity and integration with banks, government agencies, accountants and practice management software.

This development of an integrated vision, which is a longer term plan, is very exciting. We call it the Reckon ecosystem or Reckon Sphere and it presents opportunities across all divisions as small-businesses, accountants, banks and government agencies all become more and more integrated and connected. **[Slide 7 – Reckon Ecosystem picture]**

In the nQueue Billback Division, we are looking to continue to pursue market share growth, expand our footprint in the USA and UK and Europe, look for growth in the mid-sized legal market and look to other markets beyond legal.

Summary

So overall, we remain focused on continued organic growth from our recurring revenue client base in all Divisions.

And we pursue new and exciting opportunities in the SaaS markets, look to gain market share, and expand our product ranges and roll-out to existing customers.

Incentive plans

I am also pleased to announce that the board has approved a design modification to the existing long term incentive plan to achieve two goals:

The first is to incentivise management who have already displayed loyalty and performance (but who have not really enjoyed meaningful equity rewards commensurate with the performance of the company) to stay with us even longer; and

The second is to encourage young talent and middle management to emulate their senior colleagues and commit to a longer term career with the company.

On that basis we have put in place what is effectively a plan for equity participation for these employees who will still be here in seven to nine years time.

Thanks

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 amongst accountants, bookkeepers, business and IT consultants and our customers.

I now return to the resolutions before shareholders today.



Reckon

**Reckon Limited Annual
General Meeting
24 May 2011**

QuickBooks®

Quicken®

ReckonElite

ReckonDocs

Reckon  *online*

aps
Accountable Technology



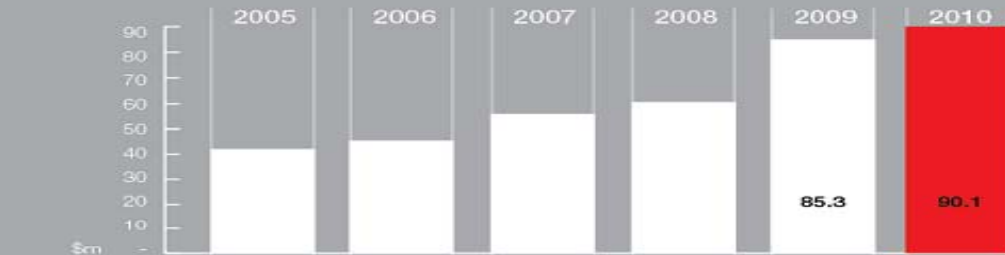
Performance Highlights

Operating revenue	up 6% to \$90.1m
EBITDA	up 20% to \$30.2m
NPAT	up 27% to \$17.2m
EPS	up 25% to 10.5 cents per share

Reckon

Revenue

Operating revenue was up 6% to \$90.1 million from \$85.3 million



% Growth

EBITDA

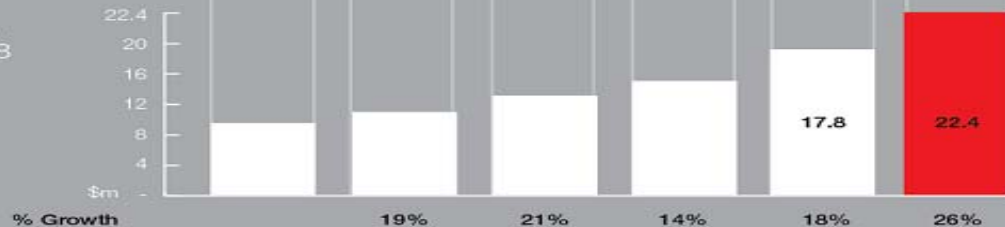
Group EBITDA was up 20% to \$30.2 million from \$25.1 million.



% Growth

NPBT

Group NPBT was up 26% to \$22.4 million from \$17.8 million.



% Growth



Business Division

Reckon	
Total revenue increase	12%
Direct QuickBooks growth	14%
Enterprise revenue growth (incl online)	28%
Retail revenue growth	32%
Corporate services revenue growth	7%



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nQueue BillBack Division

	2010	2009
Revenue (excl FX impact)		
Maintenance Revenue	\$4.8m	\$3.7m
New Revenue	\$2.5m	\$2.6m
Gross profit margin	93%	86%
Focus on software solution rather than hardware		



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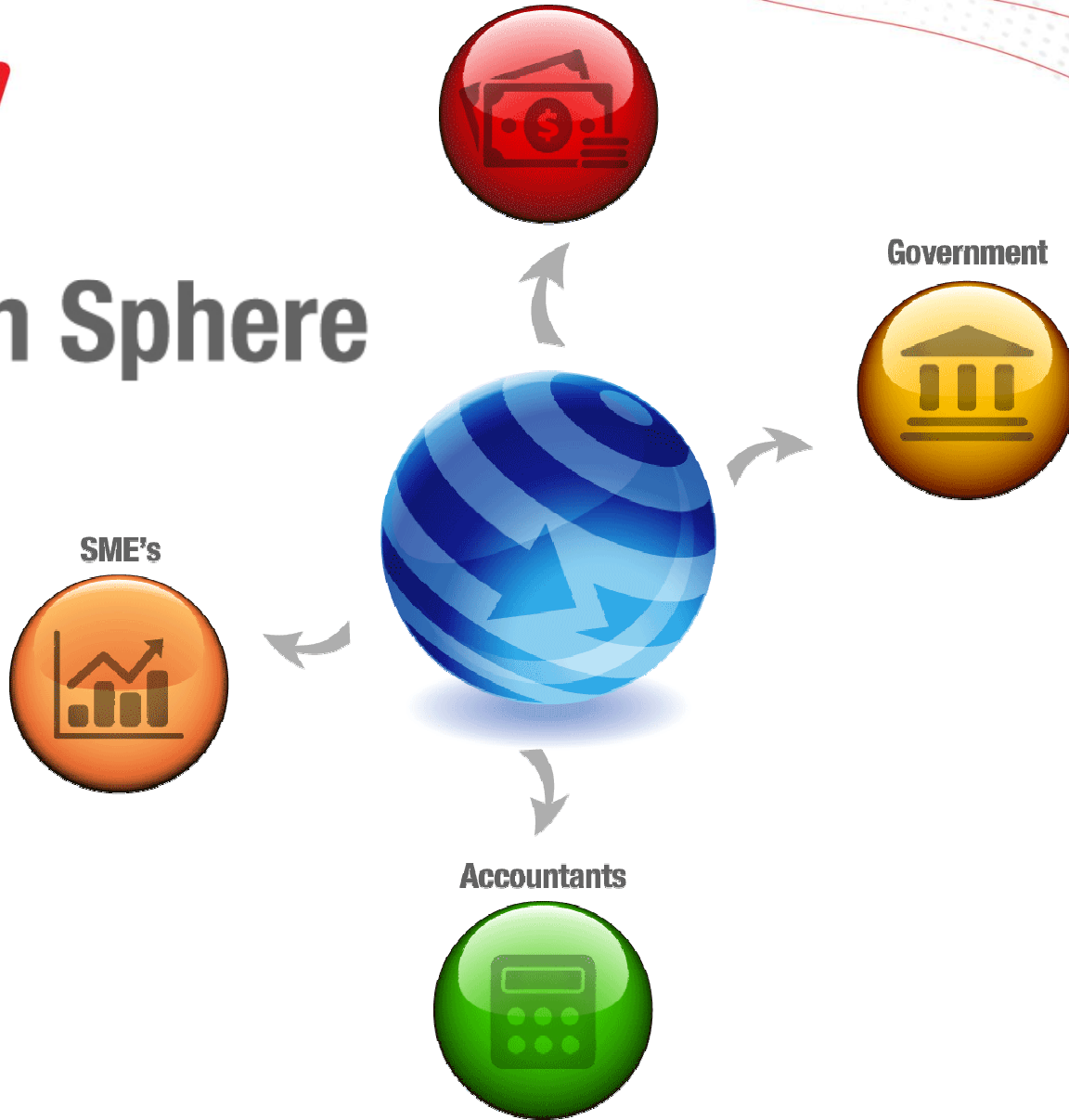
Professional Division Revenue Movements (excl FX)

	Total revenue	Maintenance
Professional Division	-2%	+5%
Australia	-1%	+5%
New Zealand	+1%	-%
United Kingdom	-7%	+8%



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Questions

Thank you for attending