

### **Update on Intuit Licence Agreement**

On 6 December 2010, Reckon Limited announced that it had reached an agreement with Intuit Inc on the terms of a new licensing arrangement for QuickBooks and Quicken desktop products.

Those terms were negotiated in the context of Reckon Limited and Intuit Inc looking for a way to give both parties the flexibility to pursue their own strategies with regard to online products.

Now, as a consequence of the gradual divergence since then of our respective online ambitions, Reckon Limited advises that we have entered a notice period, effectively a transition period, at the end of which, on 10 February 2014, the licensing agreement will be formally terminated.

More recently, Reckon has focussed heavily on developing and executing its online strategy and online product rollout, whilst continuing to grow its desktop market share, for example Reckon has launched:

- QuickBooks Hosted, giving end users and their accountants or bookkeepers the identical functionality to desktop products but with all the benefits of a cloud offering.
- Reckon CashBook Online targeted at smaller end users.
- APS Private Cloud which enables accounting practices to host all of their software requirements in the cloud.
- A POS (point of sale) product as a cloud offering.
- Elite Practice Management Software for smaller accounting firms as a cloud offering.

Further online products are in development and will be rolled out over the coming months. Our strategy remains to provide fully localised products specifically for our markets, hosted locally, to achieve our ambitions of providing integrated solutions to achieve greater efficiency for accountants, bookkeepers, and their business clients.

From a Reckon Limited perspective it is business as usual until 10 February 2014, whereafter Reckon will effectively enjoy royalty free rights to continue selling, and may independently develop, the then current Intuit desktop technology and QuickBooks Hosted technology for a 100 year period, resulting in an annualised royalty saving of about \$6m. After 10 February 2014 Reckon will not have access to the Intuit brands.

Group CEO, Mr Rabie said:

“The business dynamics have changed over the last few years, with a very focussed cloud based strategy now required. As a business, Reckon needs to be ever more flexible with our product offering and the territories within which we operate.

Having enjoyed a strong and successful relationship with Intuit over the past 20 years, we thank them for the support that they have provided during this period and we appreciate the fact that they have allowed us to move in a different direction at this time.”

For further information, please contact:

Mr Clive Rabie  
Group CEO  
Reckon Limited  
(02) 9577 5946

Mr Myron Zlotnick  
Company Secretary  
Reckon Limited  
(02) 9577 5466