



Chairman's Speech

for

Annual General Meeting of

Reckon Limited

To be held at 10am on 22 May 2012

at

Level 12

65 Berry Street

North Sydney

NSW

[Slide 1 – Reckon AGM logo]

Welcome.

As always by the time we reach our AGM, last year seems a very long time ago. Nonetheless I will touch upon some highlights for 2011.

On the whole the company once again delivered good results. I think it is important to emphasise that Reckon's performance over the past several years has shown an upward trend.

From a shareholder and a customer perspective this is important because our performance is a measure of our stability and sustainability - as both an investment and as a business.

[Slide 2 – IFRS and non-IFRS table from AR page 3]

You can see the results for 2011 on the slides up on the screen.

By now these will be familiar to you, as we released these in February this year, and again more recently in our annual report.

The growth in the key EBITDA and EBITDA margin measures is attributable to both growth in core business and a focus on cost control.

The growth in core business is testament to the quality and breadth of our integrated products and solutions which marks our unique value proposition. I will touch on this again later when I talk about our more recent activity.

I should mention that the key variance between the IFRS and non-IFRS results relates to the provisions we are required to make for an expected shortfall in the sub-lease rental we are collecting for our old Pyrmont premises. From a pure cash flow and profit and loss point of view, the net savings from the move to North Sydney more than offset this shortfall over the period of the lease.

We are also seeing the benefits of our divisions physically working closer to each other in the same building.

[Slide 3 – Divisional performance]

In our Professional Division, under the Reckon APS brand, the Australian market performed especially well. This was accompanied by substantially improved second half performances in both New Zealand and the UK. This resulted in an overall EBITDA growth of 20%.

Strong new product sales in the Professional Division in 2011 will add to the annual maintenance revenue base for the following year.

In the Business Division, very encouraging signs for the future are found in the growth of our Enterprise market sales and our online & hosted products sales. Adding to this, is good growth in sales of desktop subscription products.

So the change in product mix, that change being, a move from higher upfront revenue for full versions to lower, but recurring revenue, for subscription versions, also adds to the longer term sustainability of the business. What is also important to mention is that customers on the subscription model will always be using the latest technology and will be up to date with compliance changes.

Corporate Services continues to grow at a steady rate with acceptable returns on our original acquisition back in 2009.

In the nQueue Billback Division we also saw a good uplift in the second half of the year in the UK and overall increases in sales to new customers and increasing market share.

Now let me turn to more recent activity.

[Slide 4 – Intuit evolution]

Firstly, we have changed our relationship with Intuit.

In March we announced some changes regarding our relationship with Intuit.

To put it briefly, the time had come for us to part ways with Intuit. This not only frees us to pursue our own cloud strategy but we retain a 100 year royalty free licence to the existing version of QuickBooks technology.

It was interesting to see a mixed reception to this news especially because this is not something that should have been totally unexpected.

We have been careful and considered about how we dealt with our relationship with Intuit. Reckon is very well positioned to take advantage of its current product range, customer base and cloud roadmap to present a unique integrated product and solutions suite that is extremely competitive.

If you follow our history, you can see how the company has matured and diversified to the extent that the economic dependence on Intuit has diminished over the years. This has manifested itself in 3 main historical streams:

- (1) an expanding and diversified product base;
- (2) the elevation of Reckon as a market brand; and
- (3) a gradual parting of the ways in terms of our respective online ambitions.

This third stream touches on the modern market in which we operate.

The catch word in this modern market is "the cloud". This is a complex concept because it's often difficult to divorce the technological definition of the cloud from its economic benefits.

So to some extent the cloud can be understood to embrace a model for the supply of a range of solutions (such as networks, servers, storage, applications and software solutions) via on-demand access to shared resources that can be procured quickly with little management effort or supplier interaction.

From a user perspective it means that customers no longer have to worry about maintaining desktop or on premises solutions with the attendant cost of that maintenance. Instead, they simply need to access the relevant IT solution - usually via a network - from a cloud services supplier.

Secondly, we have been extremely busy in the cloud world.

It merits mentioning that to date we have developed: QuickBooks Hosted; Reckon CashBook; Elite Online; POS Online; Payroll Online; Reckon BankData; Reckon GovConnect; APS Private Cloud - and there will be others in the pipeline.

I'll go into a little more detail about APS Private Cloud as this is an important part of APS' future.

This cloud solution allows a professional accounting firm to run anything it might need for its practice. We use dedicated virtual servers for each application. It will run QuickBooks, MS Office, and of course the APS suite of practice management products.

Updates to the applications are seamless, they are in the background. As you can see, the cloud solution, effectively removes all the service and management aspects of running an accounting firm's IT infrastructure.

We also recently invested in Connect 2 Field, cloud based job management software for field services. This poses a great foundation for bolt on applications to our accounting and practice management products.

Our roadmap also includes cloud applications for our nQueue Billback business.

Thirdly, we sold our stake in Melbourne IT.

As far as web-hosting and related services are concerned, although we no longer hold an equity stake in Melbourne IT, we continue to pursue a product strategy in that area to ensure we have a proper offering to our customers for exchange hosting, web hosting, and domain name management.

Fourthly, we have brought our development teams much closer together.

Last year, we mentioned our move to North Sydney. One of the key improvements resulting from that move has been the strategic bringing together of the two development teams to concentrate on developing products and solutions in the same technical environment. This is to ensure that our strategic goal of delivering integrated solutions is achieved.

[Slide 5 – Reckon ecosystem]

This is all represented collectively in what we sometimes call – “the Reckon ecosystem”, which brings together the various aspects of our business, traditional and modern.

This has all been a very brief summary of where we think this company is going in the future. It does not do justice to the hard work and strategic vision of all those involved but gives you a glimpse into some of our operational activity.

Finally then, 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.

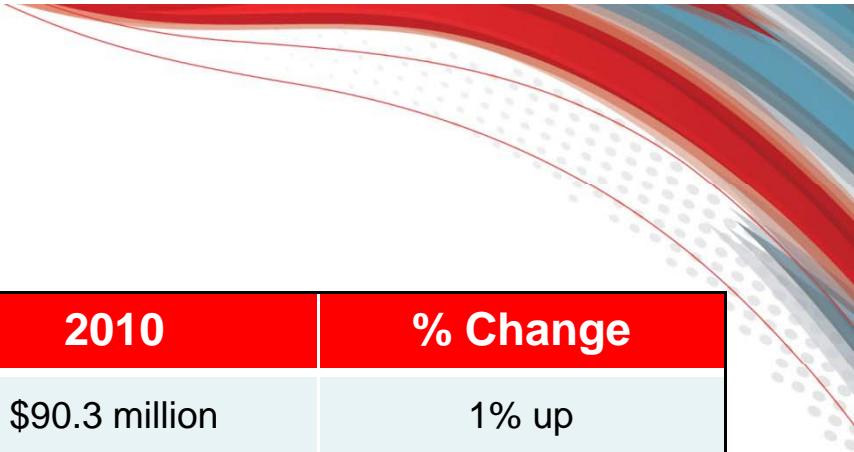
I now return to the resolutions before shareholders today.

The Reckon logo is written in a white, italicized, sans-serif font. The letter 'R' is large and stylized, with a long horizontal stroke that curves downwards. The rest of the letters are smaller and follow the same italicized style. A registered trademark symbol (®) is located at the top right of the word.

Reckon[®]

Annual General Meeting

22 May 2012



Non-IFRS revenue	2011	2010	% Change
Revenue	\$91.3 million	\$90.3 million	1% up
EBITDA <small>(non IFRS excluding relocation)</small>	\$33.1 million	\$30.2 million	10% up
NPAT <small>(non IFRS excluding relocation)</small>	\$18.3 million	\$17.2 million	6% up
EPS <small>(non IFRS excluding relocation)</small>	13.4 cents	12.4 cents	8% up
IFRS revenue	2011	2010	% Change
Revenue	\$91.3 million	\$90.3 million	1% up
EBITDA	\$31.3 million	\$30.2 million	4% up
NPAT	\$16.7 million	\$17.2 million	3% down
EPS	12.1 cents	12.4 cents	2% down



Divisional results (excluding forex impact)

	Growth	2011	2010
Business Division operating revenue	-%	\$55.8m	\$56.0m
Business Division EBITDA	-%	\$20.6m	\$20.7m
Professional Division operating revenue	+5%	\$25.6m	\$24.5m
Professional Division EBITDA	+21%	\$12.3m	\$10.1m
nQueueBillback Div operating revenue	+5%	\$8.8m	\$8.4m
nQueueBillback Division EBITDA	+3%	\$3.5m	\$3.4m

Reckon[®]

Evolution

Product base

- SME and PFM accounting software for businesses
- Practice Management for professional accounting firms
- Corporate Services for small businesses and professional accounting firms
- Expense Management, cost recovery for law firms
- ...

Reckon Brand

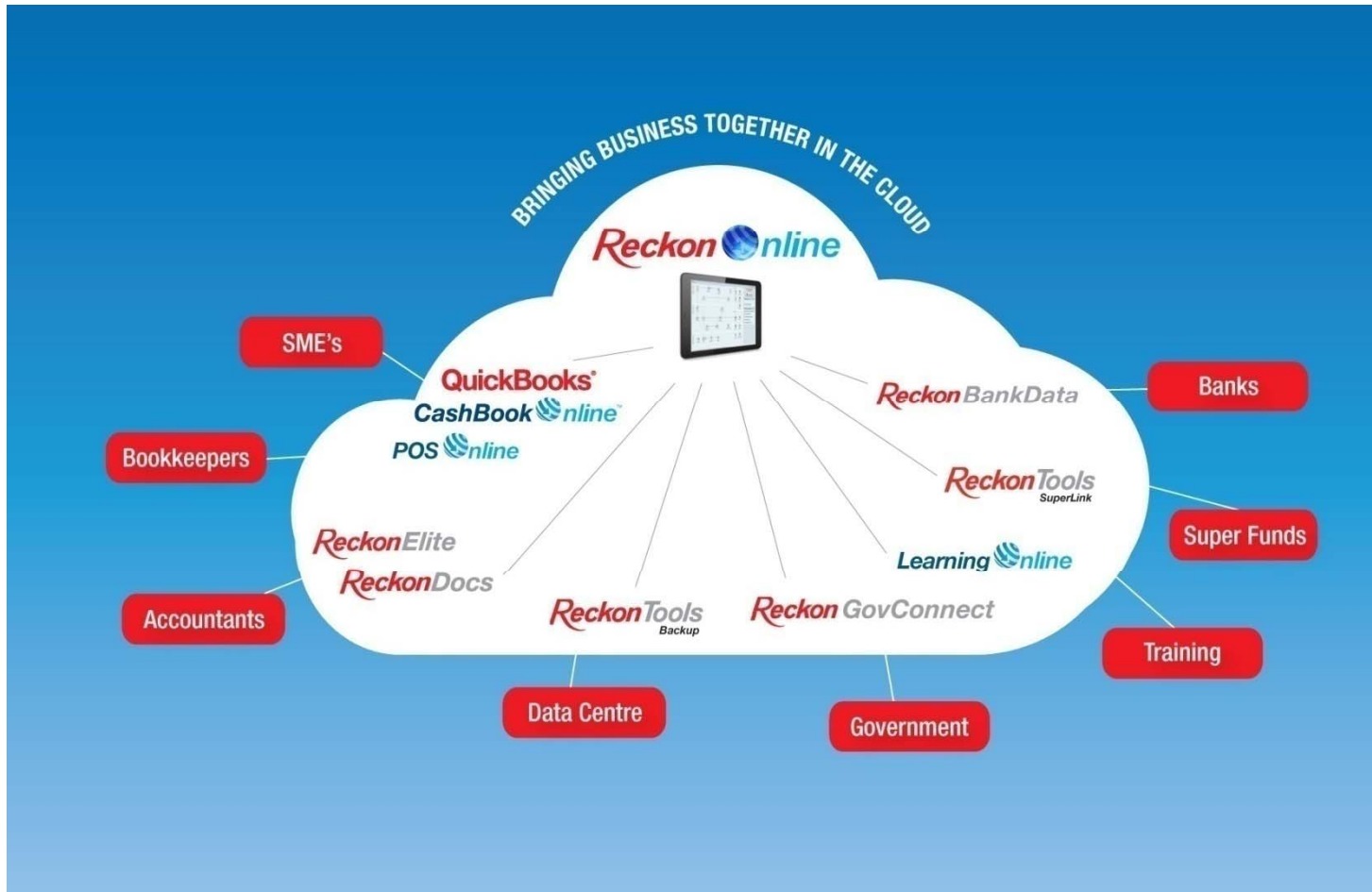


Cloud



Reckon®

Ecosystem



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Proxy results

Resolution	For	For, as % of total votes cast	Against	Chairman's discretion	Abstain
2	71,228,409	98.77	99,444	790,013	21,036
3	52,725,358	98.43	415,775	5,000	333,884

Votes excluded on Resolution 2: 0

Votes excluded on Resolution 3: 18,025,539



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Questions?

