



RESULTS PRESENTATION

Half Year ended 30 June 2012

To be read in conjunction with the Appendix 4D and the Accounts

RECKON AUSTRALIA AND NEW ZEALAND

Product Range

- ReckonAccounts**
- Accounting software for Micro Businesses to Mid / Larger Enterprises
 - Online & Desktop solutions
 - Point of Sale, Payroll and Personal Financial products
-

- ReckonDocs**
- Company Formations, Trusts and Superannuation documents and services
-

- ReckonElite**
- Practice Management Software for Smaller Accounting Practices with an emphasis on compliance solutions
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- ReckonAPS**
- Practice Management Software for Larger Accounting Firms

RECKON INTERNATIONAL

Product Range

ReckonNQBB

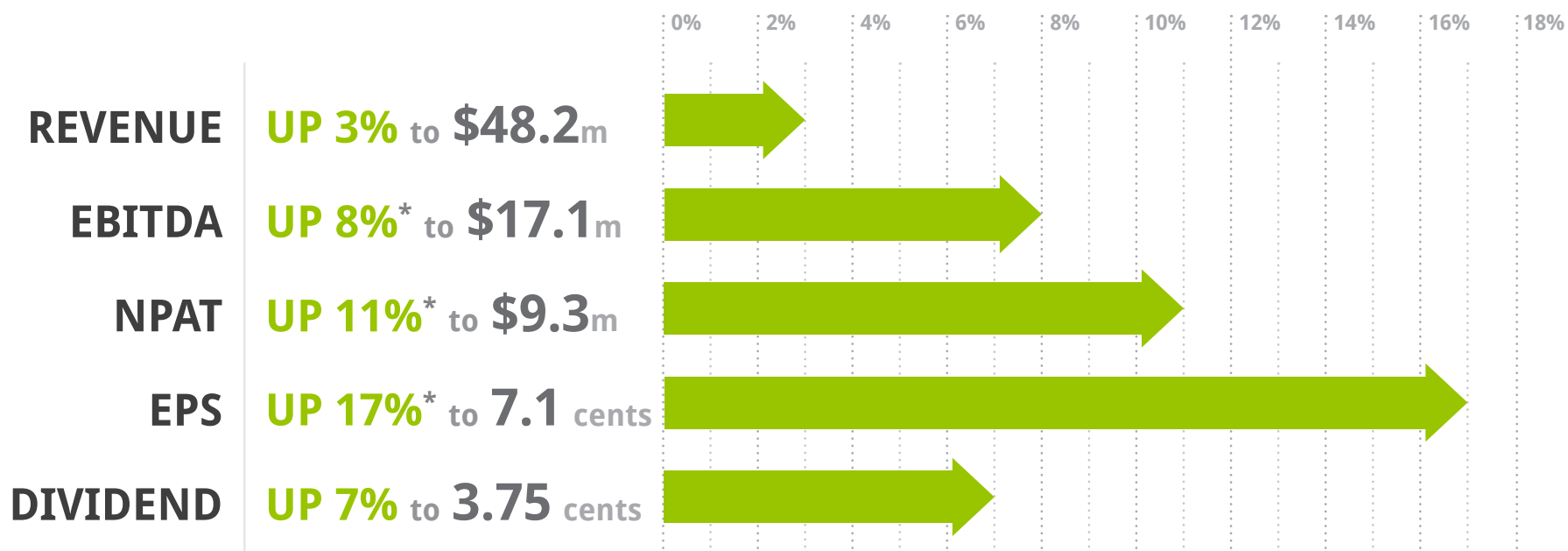
- Cost Recovery Software predominantly for the legal market
- Expense Management
- Print Solutions

ReckonVirtual Cabinet

- Document management
- Client Portal

PERFORMANCE HIGHLIGHTS

Half Year Ended 30 June 2012



* 2011 profit adversely impacted by the net of premises relocation costs and litigation settlement

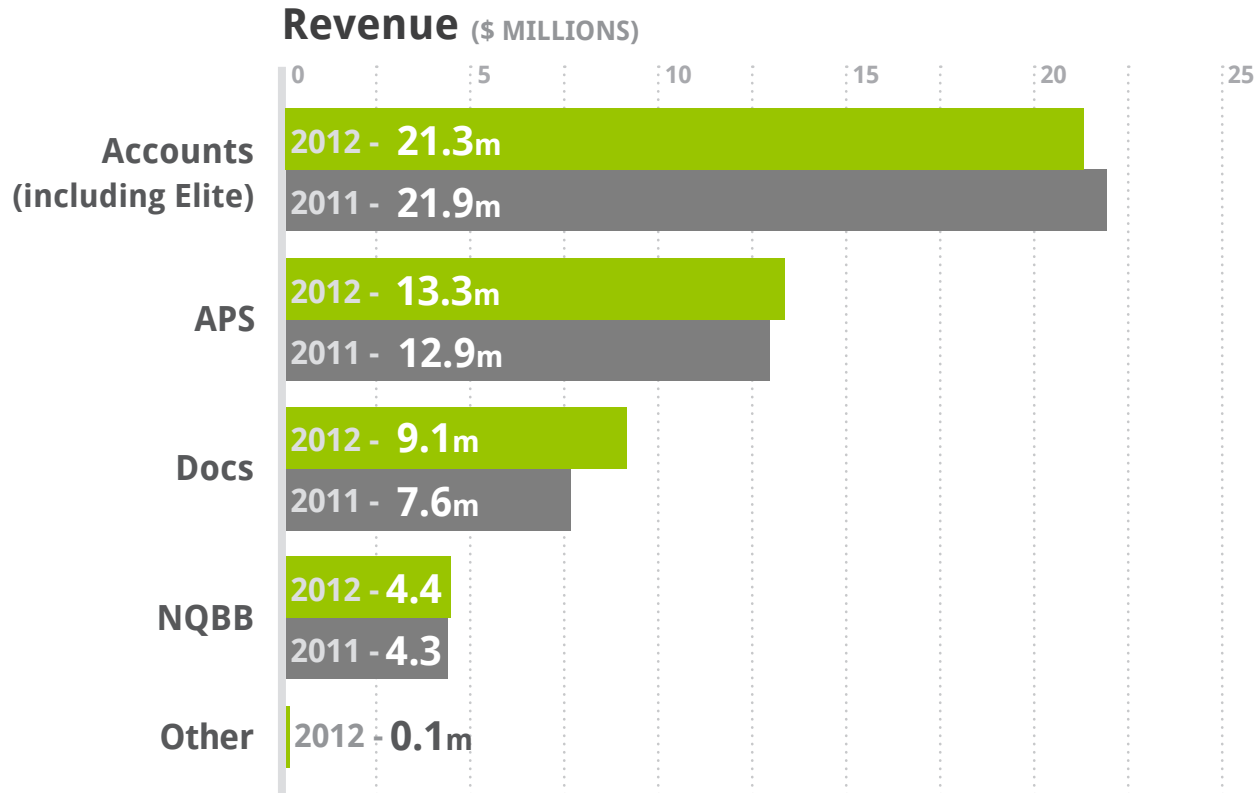
RECKON GROUP

Major Revenue Movements

	\$ Millions	Growth
Half Year 2011 Operating Revenue	46.7	
Australian Direct SME Accounting Products	0.8	+7%
ReckonDocs	1.4	+19%
Reckon APS Accounting Channel	0.7	+6%
Australian Retail - SME Accounting Products	(1.2)	-38%
Other	(0.2)	
Half Year 2012 Operating Revenue	48.2	+3%

GROUP TRENDS BY DIVISION

Half Year Ended 30 June 2012

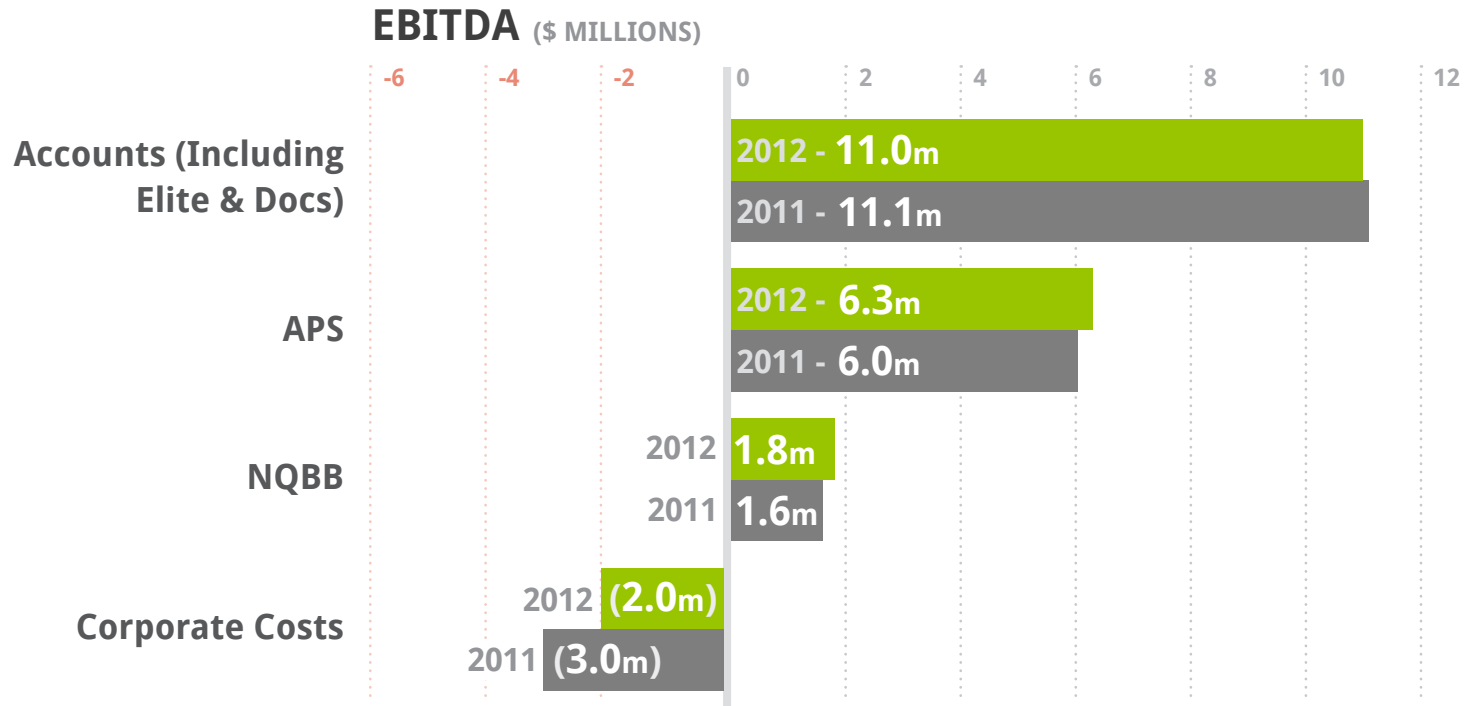


Total half year 2012 **48.2m**

Total half year 2011 **46.7m**

GROUP TRENDS BY DIVISION

Half Year Ended 30 June 2012



Total half year 2012 **17.1m**

Total half year 2011 **15.7m**

RECKON GROUP

EBITDA margin

	2012	2011
Accounts (including Elite & Docs)	36.1%	37.5%
APS	47.6%	46.9%
nQueueBillback	40.0%	38.3%
Group	35.4%	33.8%

REVENUE BREAKDOWN

- Recurring Revenue
- Full Product Revenue
- Service Revenue

Accounts



Docs



APS



nQueue Billback



GROUP



RECKON GROUP

Cash Flow Highlights - 6 months to June 2012

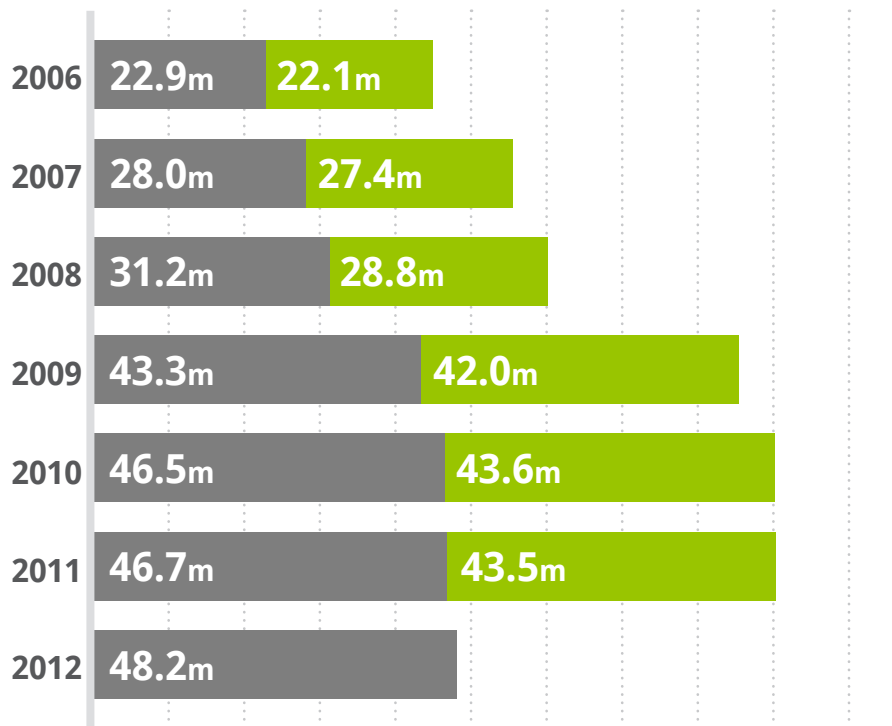
	2012 \$ MILLIONS	2011 \$ MILLIONS
Cash at June 2012 / Dec 2011	\$2.9	\$4.7
Operating cash flow	\$11.0	\$15.0
Development cost expenditure	(\$4.1)	(\$3.5)
Amortisation of development costs & IP	\$3.8	\$3.5
Investments bought and sold	\$5.7	(\$7.3)
Fixed asset acquisitions	(\$0.3)	(\$1.3)
Shares acquired	(\$8.1)	(\$1.4)
Dividends paid	(\$5.9)	(\$6.0)

GROUP TRENDS

OPERATING REVENUE

\$ MILLIONS

0 10 20 30 40 50 60 70 80 90 100



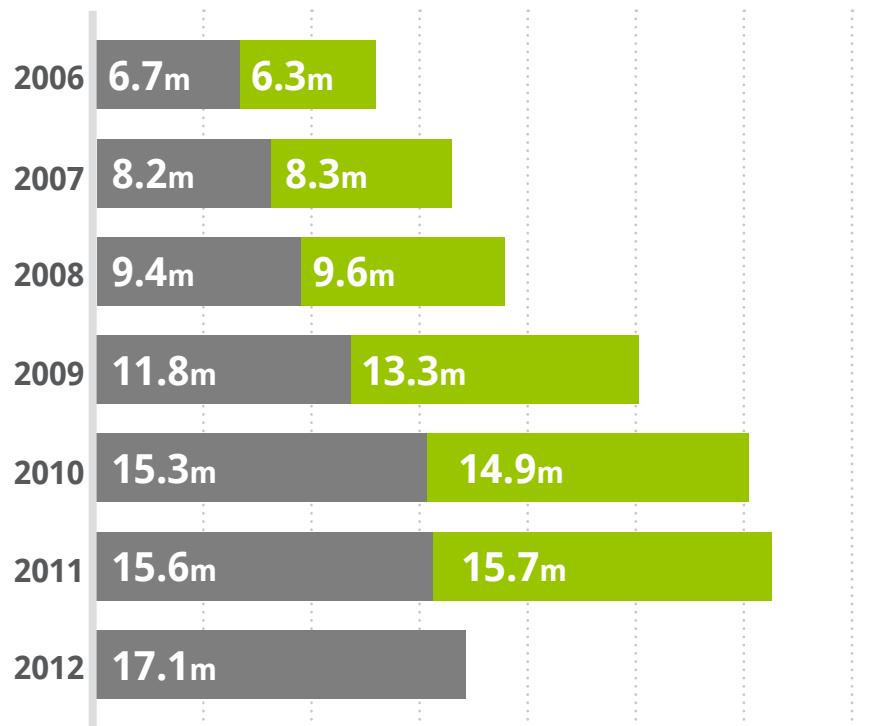
● Half Year

● 2nd Half

EBITDA

\$ MILLIONS

0 5 10 15 20 25 30 35



● Half Year

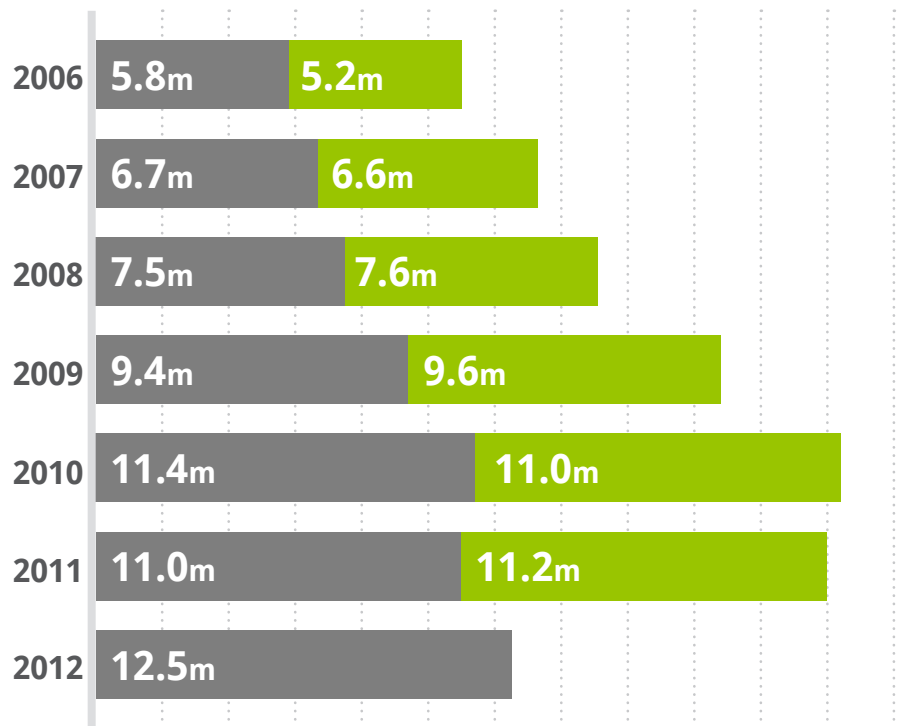
● 2nd Half

GROUP TRENDS

NPBT

\$ MILLIONS

0 2 4 6 8 10 12 14 16 18 20 22 24



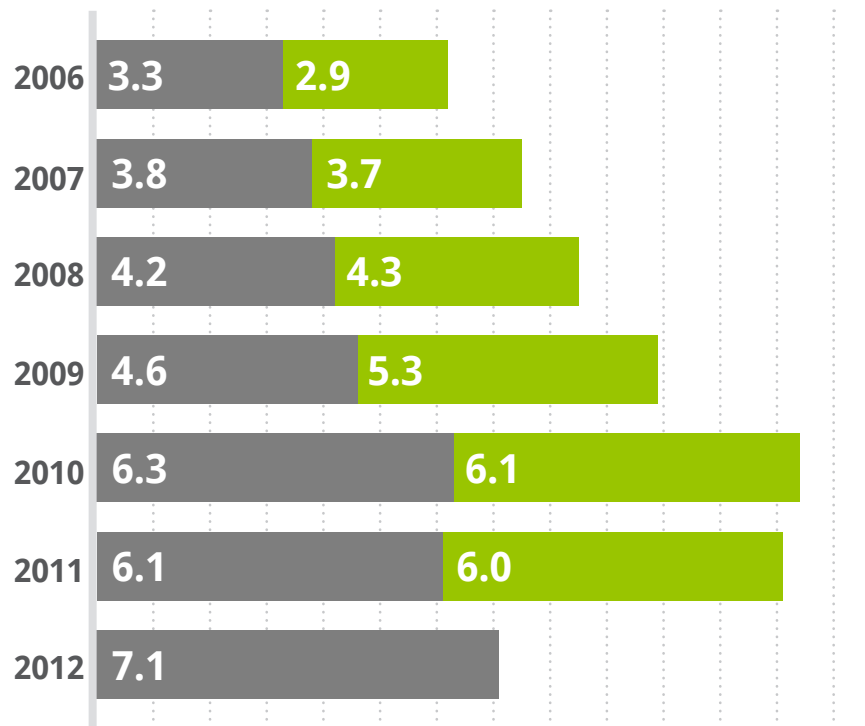
● Half Year

● 2nd Half

EPS

CENTS

0 1 2 3 4 5 6 7 8 9 10 11 12 13



● Half Year

● 2nd Half

REBRANDING

The Rebranding Project has been initiated and is made up of 4 major sections:

1. Brand Architecture across the whole Reckon group
2. Look and feel of the products, website etc to make sure that these reflect the core values of the group
3. Technical implementation of rebranding through product and website development
4. Review the company's positioning and ensure that it is reflected in the product, marketing collateral and pricing

RECKON AUSTRALIA AND NEW ZEALAND

ReckonAccounts

- Direct Australian SME Accounting Product revenue grew by 7%
 - Strong contribution from QuickBooks Hosted - up 88%
 - Strong contribution from QuickBooks Enterprise - up 19%
 - Unit growth easily offsets lower retail sell through (retail sell in -37% in \$ terms).
- Online customers now exceed 18,000
- Enterprise customers now over 2,500
- Professional partner number continue to grow at a steady rate
- Release of CashBook Plus later in the year which is a well featured SaaS product for Micro Businesses

RECKON AUSTRALIA AND NEW ZEALAND

ReckonAccounts continued...

- Release of our Small / Medium Business SaaS product in 2013
- Virtual Cabinet Document Management and Client Portal distribution to both the business and accountant client bases
- Release of Reckon Financial Statement Designer brings AIFRS workplace reporting directly out of QuickBooks Hosted - big efficiency improvements for accountants
- Reckon GovConnect Payment Summaries released
- Release of Payroll for QuickBooks 12 /13 in NZ for the first time
- Reckon BankData now has bank feeds from all major Australian banks and via Yodlee to over 5,000 financial institutions worldwide

RECKON AUSTRALIA AND NEW ZEALAND

ReckonDocs

- Revenue growth of 19%
- Stronger penetration into the accountant channel
- Self managed superannuation market has been more buoyant
- Investigating the introduction of more content in the near future
- Release of the ACR module to APS clients - now contributing to growth

ReckonElite

- Revenue growth of 12%
- Elite Online has been released

RECKON AUSTRALIA AND NEW ZEALAND

ReckonAPS

- Accounting channel revenue growth of 6%
- Strong results in Australia and New Zealand
- Revenue reduction in legal in Australia
 - Expect to transfer management of this division to the NQBB team in the second half
- Continued addition of new clients, including another Big 4 practice
- Activity amongst the larger practices has been strong - additional users and additional modules achieved
- QuickBooks sales into the APS client base is gaining momentum

RECKON AUSTRALIA AND NEW ZEALAND

ReckonAPS continued...

- APS Private Cloud has been launched
 - 14 clients have signed up, and most will be live within the next month
 - Range of sizes from one person firms upwards
 - Feedback on this service has been very encouraging
 - Makes APS solution feasible for practices of all sizes
- Company secretarial solution (ACR) has been released
 - 6 clients have signed up
 - Transactional revenue expected to flow from this source in future
- Several other modules and product upgrades also released
- Virtual Cabinet products are well suited to this client base

RECKON INTERNATIONAL

ReckonNQBB

- Continued strong growth in EMEA, with clients added across all regions
- The USA has experienced continued growth in client numbers but the average sale per client has been lower than the prior year
- Maintained 99% client retention rate
- Expect to acquire the remaining equity from our JV partners for circa \$5m shortly
- NQBB team to take over management of the Australian legal business now that the UK transition has been completed
- Expanded product range with the introduction of Virtual Cabinet Document Management and Client Portal which they will take to the following markets:
 - Legal clients worldwide
 - Accounting and Financial Services markets in USA - opportunity currently being assessed

RECKON INTERNATIONAL

Reckon Virtual Cabinet

- Acquired Virtual Cabinet (Linden House) for an initial amount of GBP 6m, with the expected total cost of GBP 14m
- Expected acquisition multiple of 5x 2015 EBITDA
- Develops and distributes Virtual Cabinet Document Management and Client Portal product to a wide array of industries in the UK, but predominantly accountants and financial planners
- Management team driven to continue the momentum that they currently have in the UK and further ensure successful distribution of its products to clients of:
 - ReckonAPS
 - ReckonDocs
 - ReckonElite
 - Business and accountant clients of ReckonAccounts
 - ReckonQueue Billback, as well as
 - Investigate new markets in USA and elsewhere

STRATEGIC FOCUS

- Organic growth has been and will continue to be the key focus for the group
- The inclusion of the Virtual Cabinet product range in our stable opens opportunities in all our business units
- Opportunities continue to exist across all divisions in:
 - Online products and services as cloud computing gains further momentum
 - Market share growth
 - New markets
 - Product rollout and cross sell opportunities
- Reckon's financial strength and proven track record gives our customers and partners confidence that we can continue to lead the market in delivering innovative and high quality products and solutions now and into the future



QUESTIONS

THANK YOU