



**Reckon Limited  
Highlights Commentary  
Half Year Ending 30 June 2012  
7 August 2012**

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Reckon is pleased to announce details of the company's results for the half year ending 30 June 2012.

	6 months to June 2012	6 months to June 2011	% Growth
<b>Operating Revenue</b>	<b>\$48.2 million</b>	<b>\$46.7 million</b>	<b>3%</b>
<b>EBITDA</b>	<b>\$17.1 million</b>	<b>\$15.7 million</b>	<b>8%</b>
<b>NPAT</b>	<b>\$9.3 million</b>	<b>\$8.3 million</b>	<b>11%</b>
<b>EPS</b>	<b>7.1 cents</b>	<b>6.1 cents</b>	<b>17%</b>
<b>Interim Dividend</b>	<b>3.75 cents</b>	<b>3.5 cents</b>	<b>7%</b>

**The group has again demonstrated resilience and posted impressive results with EPS growth of 17%, NPAT growth of 11% and EBITDA growth of 8%.**

The performance has been driven by revenue growth in the following key areas for the group:

ReckonAccounts

- Direct and Recommender channel revenue in SME Accounting products has increased by 7% as we continue to build on our strengths in the enterprise market and cloud offerings.
- A difficult retail environment has resulted in a significant reduction of revenue of 37% from this channel, both as a result of lower sell through by retailers and a continuation in retailers destocking programs.
- Our recommender channel continues to grow with a 12% increase in accredited partners.
- Elite has added smaller accountant/bookkeeper clients at a rate of 12%.



#### ReckonDocs

- Corporate services revenue growth is 19% following further market share expansion and penetration into our accountant client base.
- Our newly launched APS module, ACR, starts to contribute to growth in this area.

#### ReckonAPS

- APS revenue in the accountant channel has increased by 6% with new client wins and product rollout to existing clients continuing.
- Our Private cloud solution begins to gain traction with 14 clients already using the service by the end of the half.
- Private cloud has proved to be an excellent solution for existing mid size clients, as well as attracting new clients of all sizes.

#### Reckon nQueue Billback

- nQueue Billback UK has again shown strong growth in the first half, while in the USA the rate of new client acquisition has been maintained albeit that they were on average smaller customers compared to the prior period.

Effective cost management has again ensured that the revenue growth achieved is reflected in the profit performance. The prior period profits were adversely impacted by the net of the property relocation costs and the litigation settlement.

Earnings per share growth of 17% during the period reflects the strong performance for the half year, and was further underpinned by the 3.4 million shares bought back during the period.

Reckon recently announced the acquisition of Linden House Software Ltd which in its own right has performed well in the UK market, and is expected to continue to do so, but with the breadth of appeal of its Virtual Cabinet document management and client portal product solution across many industries, this product has cross sell opportunities into all of our existing markets.

Reckon Limited also announces that it is close to the completion of an arrangement with its partners to acquire the remaining stake in the nQueue Billback Divisions in the UK and USA for circa \$5 million. It is expected that this will be finalised within the next few weeks. This in turn will facilitate moving the Australian legal business under the management control of the nQueue Billback team. It will further allow seamless distribution of the newly acquired Virtual Cabinet product range into this client base.

Group CEO, Mr Clive Rabie said:

“The group continues to build on its core strengths, and is well positioned to take advantage of the opportunities that are presented to us.

The importance of continuing to win new clients every year is very much the focus for all divisions and is a reflection of the quality of our product range and customer relationships.



We are particularly excited about the possibilities that could come from our continued push into the online space in all business units, and the value that our newly acquired Virtual Cabinet product range will add to the group, as well as how this will help position us to increase our presence in larger markets like the UK and USA.”

**For further information, please contact:**

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