

## Results for Announcement to the Market

### Trading Results

	2012 Result	2011 Result	% Change	Amount Change
Revenue	\$96.8 million	\$90.7 million	7% increase	\$6.1 million
Group EBITDA	\$34.0 million	\$31.3 million	9% increase	\$2.7 million
Group NPAT	\$17.8 million	\$16.7 million	6% increase	\$1.1million
EPS	13.4 cents per share	12.1 cents per share	11% increase	1.3 cents per share

### Dividends

The Board has declared a final dividend of 4.75 cents per share (2012: final dividend of 4.5 cents per share). The dividend will be franked to 90%.

The final dividend will be paid to shareholders recorded on the Company's Register as at record date of 15 February 2013 (see following announcement).

The total dividend paid for 2012 represents an increase of 6% over the prior year.

### Net tangible assets

The net tangible assets per security as at 31 December 2012 is negative 18.3 cents per share (2011: positive 3.4 cents per share).

### Acquisitions and disposals

On 11 April 2012 the company acquired a strategic minority investment in Connect2Field Holdings Pty Ltd for \$0.7 million.

On 1 July 2012 the company acquired an initial interest in Linden House Software Limited for \$9.2 million with an option to acquire 100% based upon the performance of the business over the next 3 years.

Effective 31 July 2012 the company acquired the outstanding minority investments in the nQueue Billback companies in the United Kingdom (25%) and the United States (26%) for \$4.5 million.

Commencing on 22 February 2012 and ending on 30 March 2012, the company sold its minority interest of less than 5% in Melbourne IT Limited.

## **Share Buy Back**

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On 4 February 2013 the board of directors resolved to keep in place an on-market share buy-back of not more than 10% of the shares in the company. During the year 3.4 million shares were purchased at an average price of \$2.27 per share.

## **Audit**

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This report is based on accounts which are in the process of being audited.

## **Commentary**

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### **Business Division**

Direct revenue in Reckon Accounts SME products has continued to trend upwards, growing by 8%. This was predominantly driven by volume growth of 18%, offset by a net price/mix reduction of 10%.

Hosted products (up 67%) and Enterprise products (up 16%) showed strong performances again.

As in previous years, this business was impacted by a declining retail channel (down 36%).

Revenue in the Reckon Docs business grew by 17% which is evidence of the contribution of a direct sales effort into the accountants' market.

In March 2012, the company re-negotiated its distribution agreement with Intuit, with the key impacts being: zero royalties payable after February 2014; and a royalty free licence to Intuit's then latest QuickBooks and Quicken technology which will be sold under the Reckon Accounts Business and Reckon Accounts Personal brands.

### **Reckon APS**

Overall revenue growth for the APS business was up 8% over 2011. The Australian and New Zealand businesses showed strong results as both continue to acquire new customers and increase market share.

Effective 31 December 2012, the United Kingdom business has been sold to the previous managing director while Reckon will continue to enjoy a revenue stream from royalties on sales under a licensing arrangement in future.

### **Reckon Virtual Cabinet**

This business based in the United Kingdom which develops and distributes Document Management and Client Portal technology was acquired in July 2012. Its first six months performance was as expected with continued strong growth in its traditional markets.

### **Reckon nQueue Billback**

The company has consolidated its shareholding in the United Kingdom and United States business. The United Kingdom business showed particularly strong growth. New clients were again added in the United States, but the average price per client was lower compared to 2011.

The Australian nQueue Billback business (previously reported as part of the Professional Division) has been moved under the management of the Reckon nQueue Billback team.

**Clive Rabie**  
Director, Group CEO  
5 February 2013