

Results for Announcement to the Market

Trading Results

	2015 Result	2014 Result	% Change	Amount Change
Revenue	\$105.1 million	\$100.8 million	Up 4.3%	\$4.3 million
EBITDA	\$36.6 million	\$37.1 million	Down 1.3%	\$0.5 million
Adjusted EBITDA*	\$39.2 million		Up 5.7%	\$2.1 million
NPAT	\$15.1 million	\$17.6 million	Down 14.1%	\$2.5 million
Adjusted NPAT*	\$19.8 million	\$18.9million	Up 4.6%	\$0.9 million
EPS	13.1 cents per share	14.2 cents per share	Down 7.6%	1.1 cents per share

*Adjusted for expenditure incurred in establishing and developing Reckon One both for the domestic and international markets as well as establishing the Document Management market in the USA. Limited revenue has been recognised in these markets to-date.

Dividends

The Board intends to declare a final dividend of 3 cents per share (2014: final dividend of 4.75 cents per share).

The lower dividend is due to investment in new markets in 2015; the company also recently completing two transactions; coupled with the company currently assessing two potential new acquisitions.

The board is also proposing to implement a dividend reinvestment plan, which may be underwritten.

Final details of the dividend reinvestment plan will be announced in due course; as will any record date and franking percentage for the intended dividend when the board so resolves.

Net tangible assets

The net tangible assets per security as at 31 December 2015 is negative 49.6 cents per share (2014: negative 46.8 cents per share).

Audit

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

Summary commentary

The results for 2015 are evidence of:

- Continued growth in revenue driven by even stronger volume growth
- Leading products servicing the world's largest accounting and law firms

- A diversified range of market leading products into multiple industries in multiple territories
- Vastly improved proportion of revenue that is subscription based
- Significant enhancement in cloud delivery
- Several development projects have been completed which are now contributing to revenue growth
- Significant investment in new markets with high growth potential.

Some important drivers of the results include:

- Major organic contract wins and product rollout across Practice Management resulting in Reckon APS seat growth of 11%
- SyncDirect and Document Management delivering a full suite of practice management solutions with collaborative functionality to provide efficiency to accounting firms
- Scan solutions helping grow nQueue revenue by 20%
- Continued strong growth of 34% in our Document Management business now with global reach
- The planned move to a subscription revenue model across the Group has resulted in a reduction in revenue of \$2.6m in 2015, however provides a much more sustainable business. The transition to subscription is largely complete
- Business Division cloud user growth of 23%
- Strong month on month growth for Reckon One of 9% for the second half of 2015, with very positive feedback from customers including:
 - ease of use of the product; and
 - value for money driven by the modular approach.

Since year end Reckon acquired SmartVault which is expected to deliver further document management growth and will be a beachhead to into the lucrative US market.

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