

A person in a light green shirt and white pants stands on the deck of a sailboat, with their arms raised in a gesture of triumph or celebration. The background is a bright, clear sky over the ocean. A large, stylized red and white graphic element, resembling a sail or a ribbon, curves across the bottom of the image.

Reckon

Results Presentation

Reckon Limited

Half year ended June 2007

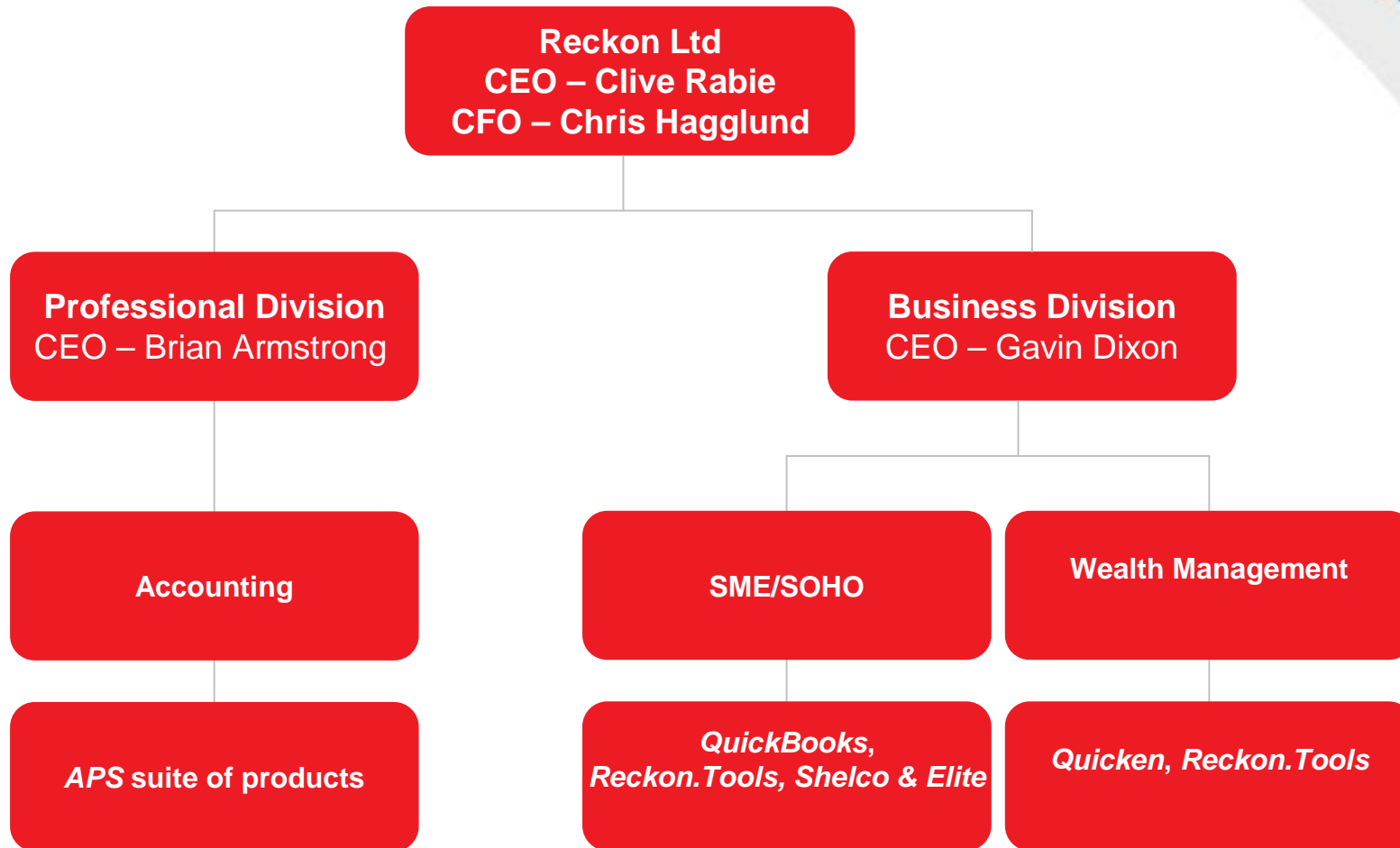


Overview

- Reckon taking strong strides towards achieving its mission: **to be the leading Australian provider of best of breed business management solutions for the SME, SOHO, Accounting and Wealth Management sectors**
- Successful results underpin ongoing strategy: target key acquisitions (Reckon NZ, Shelco); coupled with the provision of the right mix of products and services underpinned by bleeding edge technology.
- You'll see stronger reference to Reckon as a brand and force in this market, providing greater focus on QuickBooks, Quicken, Reckon.Tools and APS brands initially, then widening to other Reckon brands (Shelco, Elite etc)



Overview



Reckon



Reckon Performance



Performance Highlights - 6 months ended June '07

Reckon Group

Revenue **up 22.3% to \$28.4m**
EBITDA **up 22.6% to \$8.2m**



Operating revenue **up 27.9% to \$9.4m**
EBITDA **up 31.7% to \$2.0m**



Operating revenue **up 19.6% to \$18.7m**
EBITDA **up 20.0% to \$6.2m**



Performance Highlights - 6 months ended June '07

- EPS **growth 16%** to 3.8 cents
- Dividend **up by 25%** to 2.5 cents per share
- Dividend franked to **50%**
- Operating cash flow **up 44%** to \$6.8m



1st Half Trends over last 4 years

	1 st Half 2004	1 st Half 2005	1 st Half 2006	1 st Half 2007
Revenue	18.8m	21.2m	23.2m	28.4m
EBITDA	4.2m	5.5m	6.7m	8.2m
NPBT	4.1m	5.2m	5.8m	6.7m
EPS	2.2 cents*	2.5 cents	3.3 cents	3.8 cents

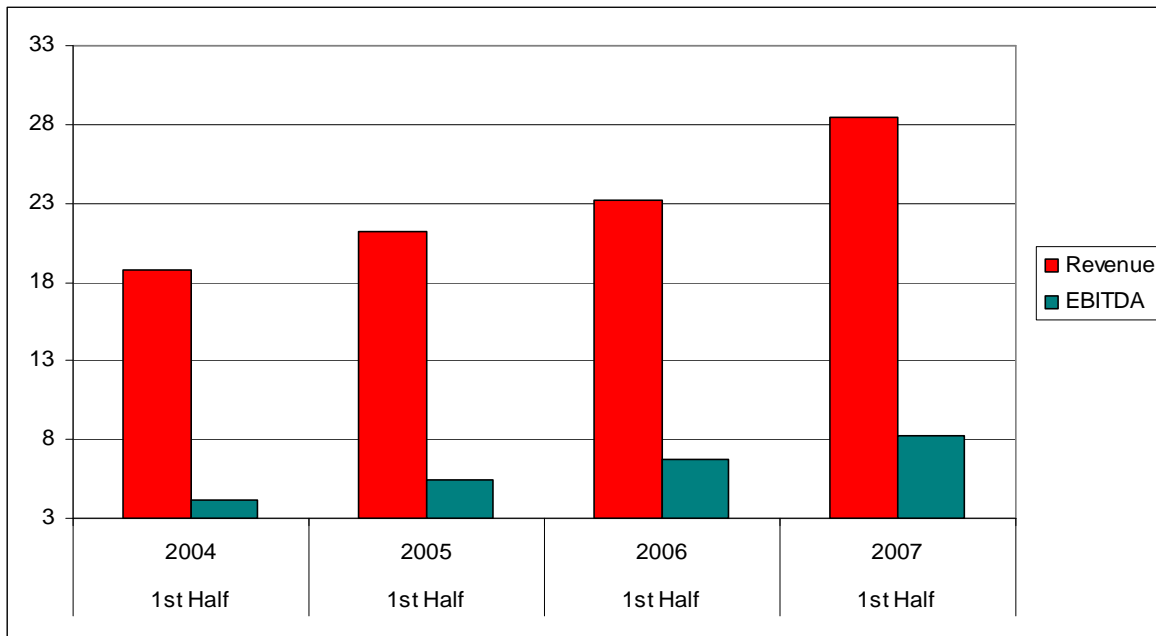
* Normalised for tax

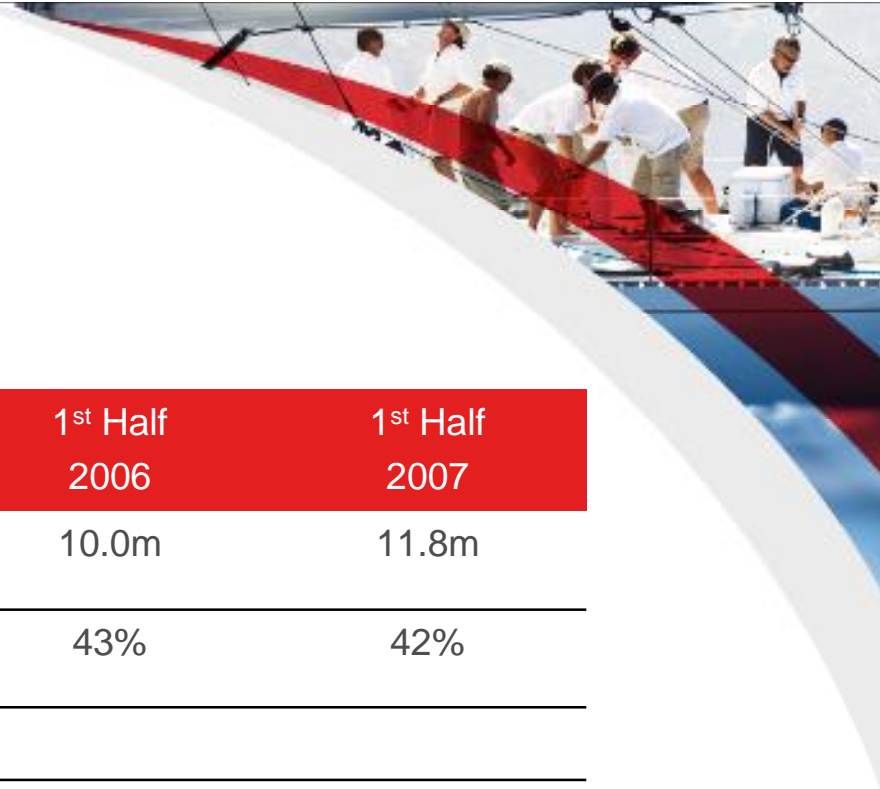


1st Half Trends over last 4 years

Revenue 52% Growth over 4 years

EBITDA 93% Growth over 4 years





1st Half Margins over 3 years

	1 st Half 2005	1 st Half 2006	1 st Half 2007
EBITDA (pre R&D and Royalties)	8.9m	10.0m	11.8m
Margin	40%	43%	42%
EBITDA	5.5m	6.7m	8.2m
Margin	25%	29%	29%

Traditional margin growth is expected to resume in subsequent periods.
The current period has been impacted by:

- Higher volume of third party product sales in APS
- Substantially higher proportion of new sales in APS (new sales margin is lower)
- No profit contribution from acquisitions as yet

Benefits from all will flow in subsequent periods

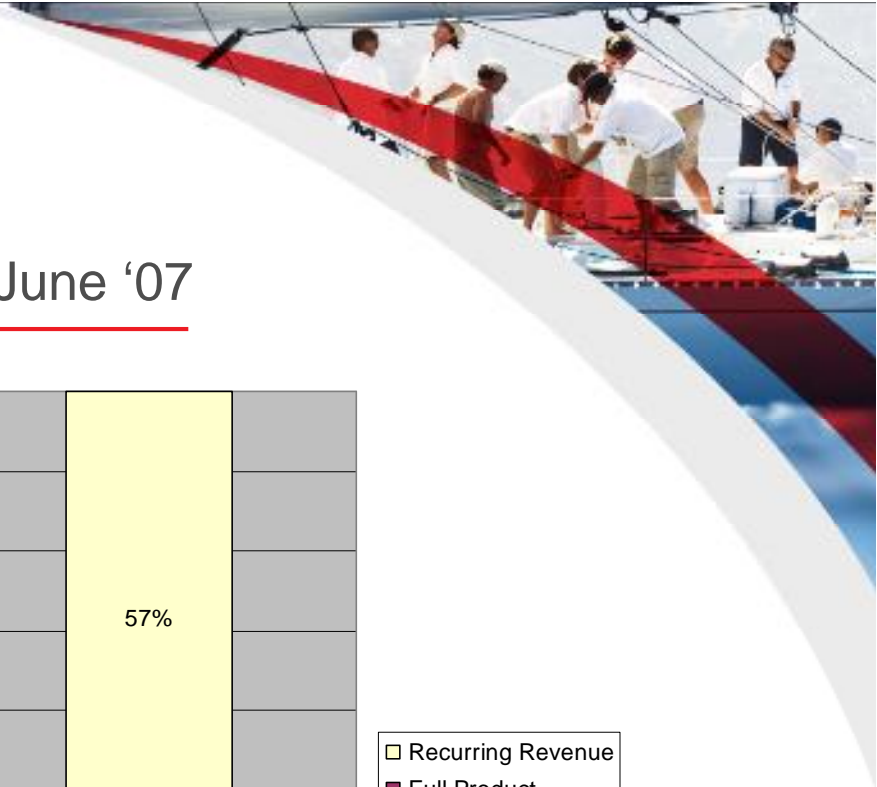


Cash Flow Highlights - Half year ended June '07

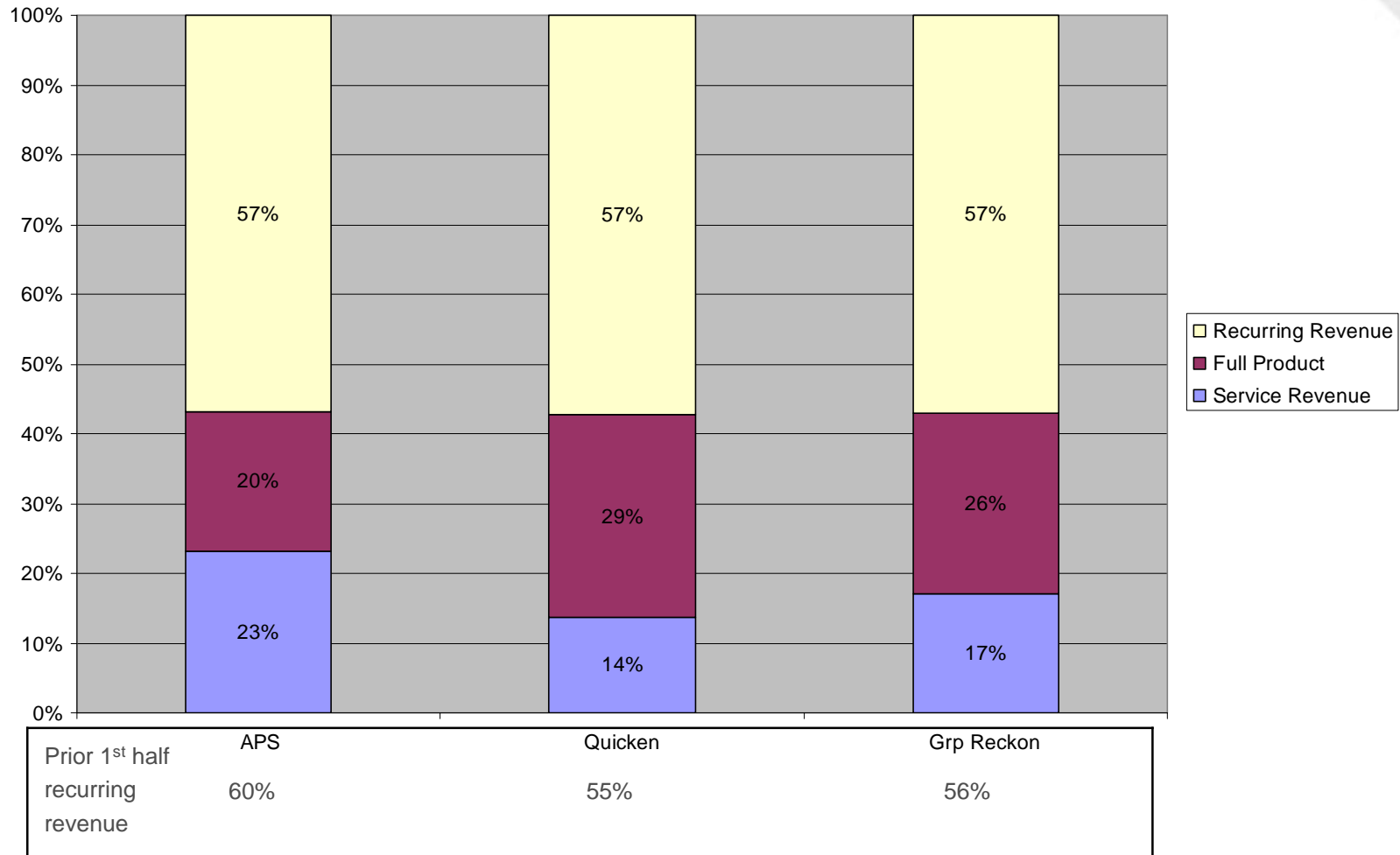
	2007	2006	
Cash Balance at June '07	\$11.9m	\$10.1m	
Cash Flow from Operations*	\$6.8m	\$4.7m	+44%
Acquisitions	\$2.3m	\$2.1m	
Development Cost Expenditure	\$1.8m	\$1.5m	
Fixed Asset Acquisition	\$0.3m	\$0.8m	
Prior Year Final Dividend Paid	\$3.3m	\$2.6m	

•*Normal higher working capital requirements effect the 1st half

•*Higher tax payments in the second half of '07 compared to '06



Revenue Breakdown - Half year ended June '07



Reckon



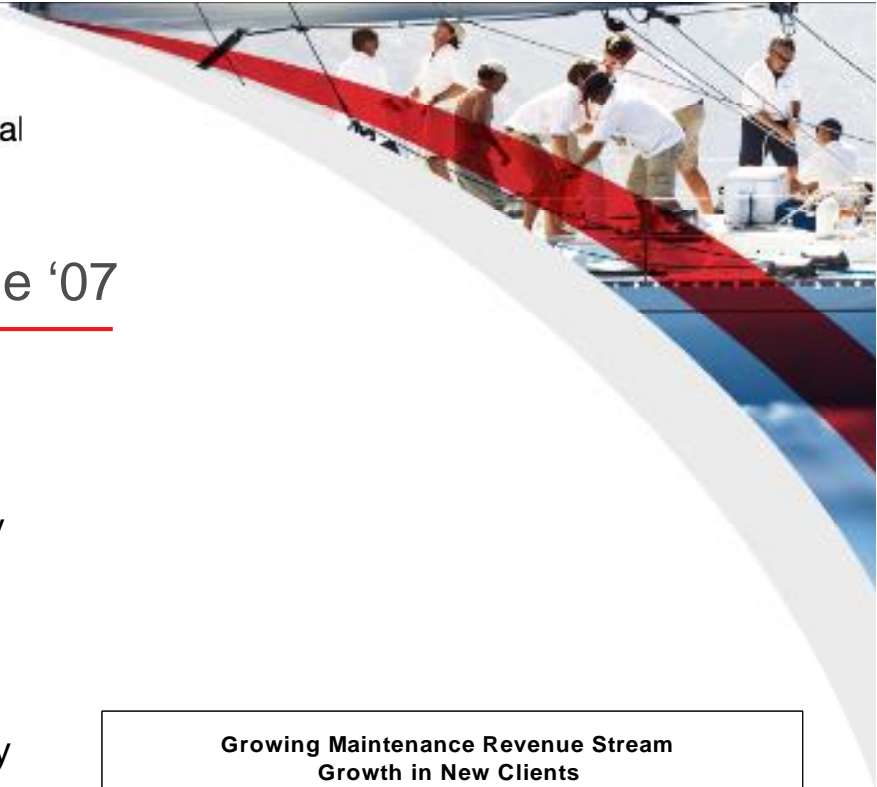
Professional Performance





APS Performance - Half year ended June '07

	Revenue	EBITDA
Revenue	Up 27.9%	Up 31.7%
New Sales & Service Growth	Up 37.5%	
Maintenance Growth	Up 21.4%	



APS Performance - Half year ended June '07

Software revenue

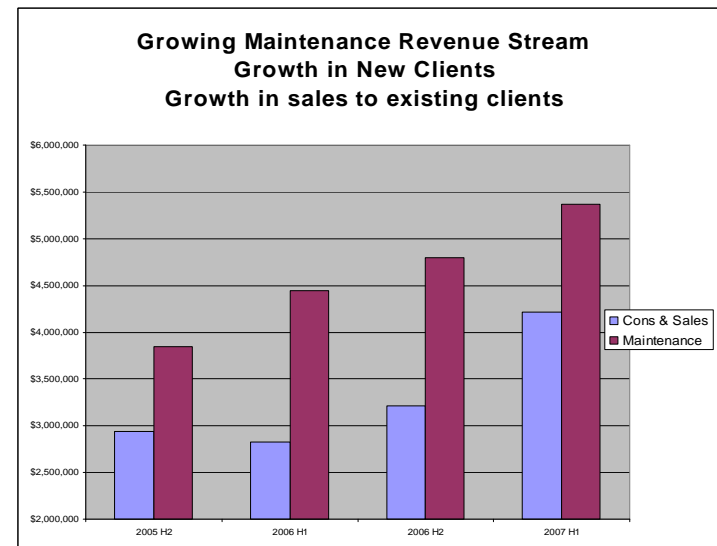
- Reflects impact of Document management take up
- Reflects impact of the take up of full product range by clients
- Reflects continued strong new business sales

Consulting revenue

- Reflects impact of Document management take up by Top 100 firms
- Reflects strong demand by clients for additional consulting work
- Reflects high take up of compliance and productivity tools

Maintenance revenue

- Reflects impact of the take up of full product range by clients
- Reflects continued strong new business sales





Professional Growth Strategies

Strong revenue growth in all categories and all countries

Australia

- 36 new firms moved to APS in Australia
- Major wins – Top four firms switch to APS
 - WHK Group new national agreement (2,000 users)
- Strong take up of Desktop Super – 31 new firms
- 82% of clients using 3 or more products

New Zealand

- BearingPoint upgrade (3,000 users)
- 12 new firms moved to APS in NZ
- Continued strong growth and further penetration in key target channels
- 85% of clients using 3 or more products

United Kingdom

- 4 new Top 100 firms in the UK
- Encouraging performance from UK operation continues



Professional Growth Strategies

Expanded fully integrated compliance offering

- Desktop Super
- Tax forms, Tax manager & PAYG modules
- Accounts Preparation
- Integrated Fixed Assets
- AdvanceDocs (Collated PDF's, Document filing & scanning)
- Company registrations, Trusts and Superannuation deeds
- Corporate Affairs (in development)

New products & Services

- Client management
- Increased demand for consulting and technical services
- Document Management, email and content management solutions
- Other collaborative software applications

Continuing to build Interwoven Document Management capability (to support high growth and uptake in this area)

Expanding client management program & services

- Relationship audit
- Client advisory board
- Executive Briefings
- APS conference
- Managed services

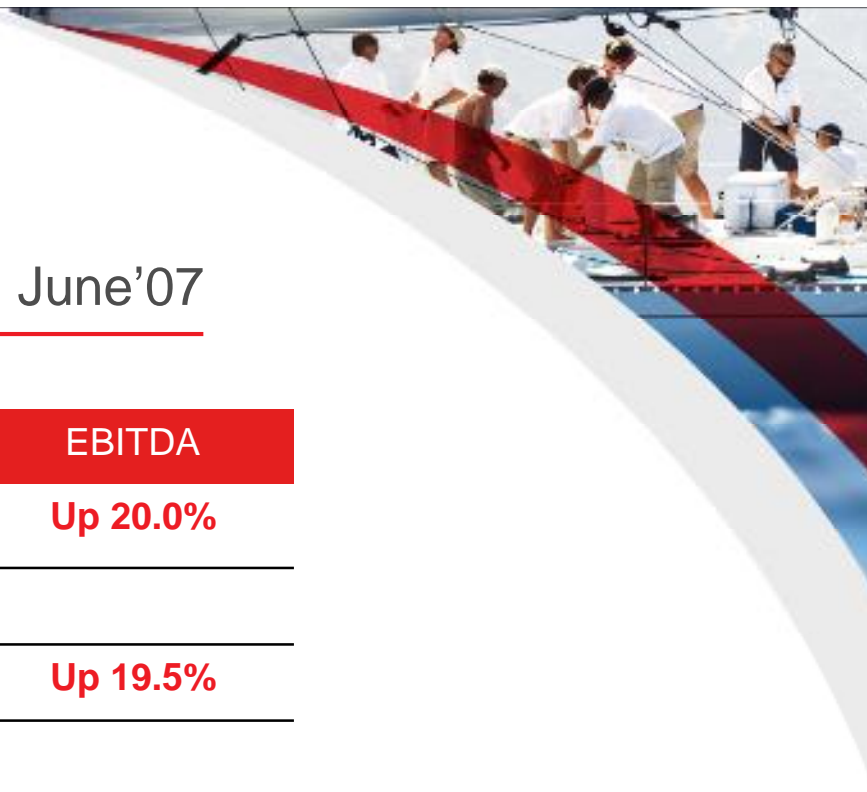
Reckon



Business Performance



Quicken

The Reckon logo is written in a red, italicized, sans-serif font.The Quicken logo is written in a red, italicized, sans-serif font.

Quicken Performance - Half year ended June'07

	Revenue	EBITDA
Revenue	Up 19.6%	Up 20.0%
Underlying business	Up 13.1%	Up 19.5%
Acquisitions contribute	6.5%	0.5%
	\$1M	-
New Sales Growth	Up 7.8%	
Direct Sales Growth	Up 25.3%	



Reckon



Quicken

Quicken First Half Performance

Better relationships with our customers

- Higher Level of sales from existing customers in Upgrades, Advantage & Subscription

Better relationships in retail

Better relationships with accountants

- Increased numbers of PP's
- Increased recommendation



Reckon

Quicken

Quicken 1st half 2007 Highlights

- Successful launch of 2007/08 Vista ready products – QuickBooks, Quicken, POS
- Development of QuickBooks 2008 on schedule
- Elite, Reckon NZ, Shelco trading well
- Top Australian Software Awards won in QuickBooks, POS, Personal & Payroll categories





Quicken 2007 Second Half

Complete QuickBooks 2008 beta program

- Re-engineered to use SQL Database
 - Improved scalability
 - Broader market Reach
 - Better customer retention
- Significant new product features
 - Improved user interface

Leverage new acquisitions

- Internet based applications
 - Payroll
 - On-line Backup
- Integrate Shelco into Elite and APS
- Expand market share & recurring revenue in NZ

Reaching into the Enterprise Space

- **Reconnect** - Supply Chain Collaboration

The Reckon logo is written in a red, italicized, sans-serif font.The Quicken logo is written in a red, italicized, sans-serif font.

Foundation for Future Growth

- Organic growth continues
- A good start to the second half show positive signs for a repeat strong second half performance
- Benefits from 1st half revenue growth will follow in subsequent periods
- 2007 acquisitions will contribute to profit growth in second half
- SQL launch proved in US market with a new standard of ease of use, extensive functionality and scalability, due for release in March 2008
- APS order book is strong
- Dividend franking to increase to 100% for final dividend
- Strong balance sheet
- More acquisitions are being considered but caution prevails

Reckon

Questions?

Thank You.