



Chairman's Speech

For

**Special General Meeting of
Reckon Limited**

To be held at 10am on 22 July 2014

at

**Level 12
65 Berry Street
North Sydney
NSW**

1. Welcome and thank you for being here today for this Special General Meeting.
2. This meeting has been called to consider a special resolution (1) to approve the terms of a selective buy-back agreement entered into on the 12th of June 2014 between the company and Intuit Inc and (2) to conduct the selective buy-back of 14,828,304 fully paid ordinary shares from Intuit Inc.
3. The detail regarding the resolution put forward for approval has been set out in the notice of meeting and explanatory memorandum mailed to shareholders on 19 June 2014. I will take those documents as read. I don't intend to burden you with a repetition of that detail and I will limit myself to a brief summary.
4. In summary then:
 - a. the company has agreed to buy back 14,828,304 shares (approximately an 11.45% stake in the Company) at the selective share buy-back price of \$1.85 per share for a total consideration of \$27,432,362.40.
 - b. The price per share also represents a 13% discount to the 5 day volume weighted average share price of the company of \$2.13 on 6 June 2014.
 - c. On completion of the buy-back the 14,828,304 Intuit shares will be cancelled and the total shares on issue will reduce from 126,913,066 to 112,084,762.
5. As a result of the selective buy-back the earnings per share is expected to increase by approximately 7.59% from \$0.1403 per share to \$0.1510 per share, based upon results as at 31 December 2013.
6. The price per share represents a negotiated outcome between Reckon and Intuit and is not to be taken as the board's view of what represents a fair market price.
7. Funding for the purchase consideration has been procured from a \$53.9 million debt facility with National Australia Bank. As at 31 December 2013, the Company's debt facility was drawn to approximately \$19.2 million.
8. A further advantage of the selective buy-back is the removal of an overhang which is held by a competitor.

9. As you will have seen from the notice of meeting and explanatory memorandum, Grant Thornton Corporate Finance Pty Limited was appointed to prepare an independent expert's report to consider whether the selective share buy-back is fair and reasonable to non-Intuit Inc shareholders. **Grant Thornton has concluded that, in its opinion, the selective share buy-back is fair and reasonable to those shareholders.** The independent expert's report was enclosed with the notice of meeting.
10. Finally, while we cannot presently release our trading results for the half year ending 30 June 2014 as we are in the process of finalising them and they are currently being reviewed by our auditors, I am pleased to advise that trading is in line with expectations.