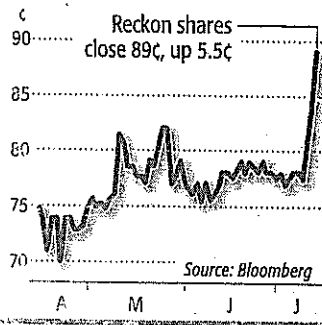




Business

Reckon lifts forecast, keeps acquisitive eye on rivals

ADDING UP



Andrew Colley
Software

ACCOUNTING software specialist Reckon has revealed that it is on the prowl to buy up rivals after upgrading its half-year profit forecast yesterday.

Reckon chief operating officer Clive Rabie said the revised profit forecast reflected revenue gains flowing from a bigger share of the accounting practice manage-

ment software market. The company was exploring opportunities to further expand its customer base through acquisitions, he said.

"We have organic growth opportunities that we must exploit but, yes, we do have some cash and we are looking at various opportunities," Mr Rabie said.

In the interim the company would continue to focus on growing organically, he said.

Reckon, which trades as

Quicken Australia, told the Australian Stock Exchange that it expected net profit before tax to reach \$5.4 million for the six months to June 2005, an increase of 43 per cent over the same period last year.

A one-off options payment was expected to dent the company's profit forecast by about \$157,000.

The company has also forecast an 18 per cent increase in revenue over the half year to

June 2004 to \$22.2 million. Reckon was sitting on cash reserves of \$18.3 million at the end of June.

Reckon's main rival in the accounting software market is MYOB.

MYOB dominates the small-end-of-town share of the retail accounting software market, steady at around 65 to 70 per cent for the 12 months to January 2005.

Reckon is stronger in the

accounting practice sector, where it competes against MYOB's wholly owned subsidiary Solution 6.

Mr Rabie said that Reckon currently supplied software to around 70 per cent of Australia's top 100 accounting firms.

"I think we can be happy to have that sort of growth and we've worked hard with a tough market to achieve it," he said.