



**Atlantic Global (ATL; AIM) 26.5p**

A creditable set of results was posted for the year ended 31 December 2002. Sales climbed 29% to £1.55m. Pre-tax profits before goodwill amortisation and exceptionals fell to £390,000 from £495,000 last time due to substantial investment in product development and infrastructure during the year. Profits were matched by cash generated from operations, leaving net funds at £1.9m or 8.4p per share. Earnings per share were 1.6p (2.99p) and the final dividend was maintained at 0.5p.

R & D expenditure was increased to £283,000, or 18.2% of turnover, well up on last year's £185,000 (15.2%). Atlantic expects to launch a significant new enterprise product by the end of June.

Also, since the year-end, new product development contracts have been signed with large blue-chip clients, which will add new modules and expand the functionality of the Adeo product suite. These clients have agreed to part fund the developments in return for some participation in the design process. In all cases Atlantic Global will maintain the intellectual property rights.

The Adeo product suite, launched in February 2002, combines three software modules into one product. This has proven to be very successful as clients can easily purchase activation keys for additional modules without having to buy a new product. Most new installations during 2002 were the result of new modules being acquired and activated.

House broker Seymour Pierce said in a recent note "the level of new product development activity has been greater than we expected" and "should lay open the opportunity to introduce larger scale contracts and shift the business to a higher level". It set a one-year price target of 35p and rated the Company a long-term buy.

So far, trading this year is in line with expectations, with current sales at a higher level than last year.

*The shares continue to offer good value.*