

THE DOMINION, 10 JUL 1999, Edition 2, Page 9.

Advantage scores with bold moves

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TECHNOLOGY company Advantage Group's shares have gone through the roof in recent weeks as its plans to plough into the e-commerce arena and expand its technology product range have been unveiled and investors have jumped on board.

At the close of trade yesterday the share price was \$2.92. A week ago it was \$1.85. A year ago it was 18.5 cents.

At the company's extraordinary general meeting in Auckland yesterday, a young team of directors told shareholders and analysts that it was confident that it would exceed its forecast for the fourth quarter. It had \$33 million of assets, had sold the building it is in, had paid off bank debt, generated and retained profits, raised cash and had built a war chest over several months.

Last week Royal and SunAlliance bought a 9 per cent stake in the company and this week New Zealand Funds Management lifted its stake to 6.5 per cent with the purchase of 2.79 million shares.

Shareholders unanimously voted in favour of Advantage's purchase of Computer Enhancements, a supplier of barcode-based scanning and portable data products.

Shareholders also voted yesterday in favour of Advantage buying PEC Retail Solutions, a supplier of retail automation software to the three largest oil companies, BP, Shell and Caltex. It operates in 14 countries, employing 130 people, mainly developers, with most in New Zealand and Australia.

Chief executive Greg Cross said the company was confident of \$28 million in revenue from this division during the next year.

In the e-commerce field, Advantage intends developing ways of using the Internet to simplify processes, improve communication and reduce the time to market for company products.

Driving Advantage's move into e-commerce is Nevin Grieve, head-hunted from Telecom where he was largely responsible for the development of Telecom Internet service company, Xtra.

Shareholders also voted to authorise directors to issue up to 10 million new shares (equal to 19.95 per cent of the enlarged capital) in the future for acquisition funding.

In the year to June 1998, Advantage reported a bottom-line loss of \$8.44 million after \$4.77 million restructuring costs. In the first three quarters the company reported a \$2.4 million profit on revenue of \$15.4 million.

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