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ADVANTAGE TECHNOLOGIES GROUP INC

Form 8-K

December 31, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 30, 2002

ADDvantage Technologies Group, Inc.
(Exact name of Registrant as specified in its charter)

Oklahoma -----	1-10799 -----	73-1351610 -----
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1605 E. Iola
Broken Arrow, Oklahoma

(Address of principal executive offices)

74012

(Zip code)

(918) 251-9121

(Registrant's telephone number, including area code)

Item 7. Financial Statements And Exhibits

(c) Exhibits

99.1 Press Release Announcing Year-End Financial Results

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Item 9. Regulation FD Disclosure

On December 30, 2002, ADDvantage Technologies Group, Inc. issued a press release announcing the financial results for fiscal year 2002. A copy of the press release is filed as an exhibit to this report and is incorporated by reference herein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ADDvantage Technologies Group, Inc.

Dated: December 30, 2002

By: /s/ Kenneth A. Chymiak
Kenneth A. Chymiak, President

FD DISCLOSURE SCHEDULE ADDvantage Technologies Group, Inc. Reports Year-End Results

Broken Arrow, Oklahoma, December 30, 2002--ADDvantage Technologies Group, Inc. (OTCBB:ADDM) today announced its financial results for the fourth quarter and fiscal year ended September 30, 2002. During the quarter, the company recorded an inventory write-down of \$1,443,000, which resulted in a reduction of net income for the fourth quarter and year of \$918,000. The write-down was necessary due to a reduction of market prices on certain items of used and new inventory. Including the inventory write-down, ADDvantage Technologies reported a loss of (\$.02) per share in the fourth quarter and net income of \$.10 for the year. Due to the delays involved in determining the need for and amount of the inventory write-down, the company has obtained an extension of the time within which it is required to file its annual report on Form 10-KSB. It is expected that this report will be filed with the Securities and Exchange Commission on Wednesday, January 8, 2003.

Fourth Quarter Results

Revenues for the fourth quarter ended September 30, 2002 increased \$1.4 million, or 24.1%, to \$7.2 million compared with \$5.8 million in the same period in 2001. This increase was a result of the company's new distributorship relationship with Scientific Atlanta, coupled with the initiative to aggressively market products and services to the larger multiple system operators (MSOs).

Because of the inventory write-down, gross margin for the fourth quarter fell to 26.4% of sales, as compared with 44.7% from the same period of the previous year.

Net loss applicable to Common Stock for the current quarter was \$420,000, or (\$.04) per share as compared to net income of \$201,000, or \$.02 per share for the same period last year.

Fiscal Year Results

Revenues for fiscal 2002 increased 11.0% to a record \$25.4 million from \$22.9 million for fiscal 2001. Net income

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applicable to Common Stock for the current year was \$951,000, or \$.10 per share, as compared to \$1.6 million, or \$.16 per share in the prior period.

"Our record revenues were achieved despite a challenging business environment in the cable television industry, with credit remaining tight for the small cable operators and several bankruptcy filings by our customers." said Ken Chymiak, President and CEO of ADDvantage Technologies Group. He added, "In this volatile environment, we continue to out-perform a majority of our peers by utilizing the synergies from recent acquisitions, expanding our product coverage, and providing diverse products and quality services to meet the demands of our customers."

Outlook

Preliminary results for fiscal 2003 are positive, as revenues for the first two months have increased approximately \$1.7 million, or 40.8%, to \$5.4 million compared to the same two-month period a year ago. In addition, gross profit rose by approximately \$710,000, or 38.5% to \$2.7 million compared to the same two-month period in fiscal 2002.

ADVANTAGE TECHNOLOGIES GROUP, INC. and its subsidiaries, TULSAT, LEE CATV Corporation, NCS Industries, Comtech Services, TULSAT - Texas, and TULSAT-Atlanta comprise an organization involved in the re-manufacture, repair and sale of previously owned cable television ("CATV") equipment and the distribution of new and surplus equipment to CATV operators. For more information, please visit the corporate web site at www.addvantagetech.com or

contact the company directly at 918-251-9121.

The information in this announcement may include forward-looking statements. All statements, other statements of historical facts, which address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements. These statements are subject to risks and uncertainties which could cause actual results and developments to differ materially from these statements. A complete discussion of these risks and uncertainties is contained in the Company's reports and documents filed from time to time with the Securities and Exchange Commission.

ADDvantage Technologies Group, Inc. Statement of Operations

(Unaudited)

	Year Ended September 30		Three Months Ended September 30	
	2002	2001	2002	2001
Revenues	\$25,408,931	\$22,884,566	\$ 7,153,025	\$ 5,762,453

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Operating Income	\$ 3,539,580	\$ 4,855,182	(\$ 239,987)	\$ 806,874
Net Income Applicable to Common Stock	\$ 951,234	\$ 1,611,430	(\$ 419,795)	\$ 200,892
Net Income Per Share of Common Stock				
Basic	\$.10	\$.16	(\$.04)	\$.02
Diluted	\$.10	\$.16	(\$.04)	\$.02
Shares Used in Computing Net Income Per Share:				
Basic	9,991,716	9,991,716	9,991,716	9,991,716
Diluted	11,991,716	11,991,716	11,991,716	11,991,716

For further information:

Company Contact:

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