



**1 April 2014**

**Getech Group plc**

(“Getech” or the “Group” or the “Company”)

**Interim Report for the six months ended 31 January 2014**

Getech, the geoscience services business specialising in the provision of data, studies and services to the oil, gas and mining exploration sectors, announces its interim results for the six months ended 31 January 2014.

**Highlights**

- Revenue for the six months of £3,110,000 (six months ended 31 January 2013: £3,967,000)
- Profit before tax of £233,000 (six months ended 31 January 2013: £1,398,000)
- Interim dividend proposed 0.44p per share (2013: 0.4p per share)
- Cash levels strong with gross cash of £4,103,000 (including Other financial assets)
- Strong demand for consultancy work through the half year
- Inertia in the market led to slow down in major sales
- Evidence that the market is strengthening as from early 2014

**Stuart Paton, Non-Executive Chairman of Getech Group plc, said:**

“We start the second half of our year with strong cash balances and a substantial pipeline of sales opportunities. More importantly, the feedback from meetings early in 2014 suggests that not only do clients remain interested in our major products, but they now have budget available to spend. The oil price has been, and is currently, above the corresponding prices last year and we do not see signs of it weakening. As such, we are optimistic that the trading performance in the first half represented a short term market-related issue and we remain confident about our medium and longer-term prospects.”

**GETECH Group plc**  
Raymond Wolfson, Chief Executive

Tel: 0113 322 2200

**WH Ireland Limited**  
Katy Mitchell

Tel: 0161 832 2174

**Walbrook PR**  
Helen Cresswell

Tel: 020 7933 8790  
Mob: 07841 917 679  
[helen.cresswell@walbrookpr.com](mailto:helen.cresswell@walbrookpr.com)

## **Chairman's statement**

### **Results**

Getech reports a Group profit before tax of £233,000 (six months ended 31 January 2013: £1,398,000) after interest receivable of £16,000 (six months ended 31 January 2013: £6,000) on revenue of £3,110,000 (six months ended 31 January 2013: £3,967,000). The post-tax profit was £193,000 (six months ended 31 January 2013: £1,060,000).

The accounts have been prepared under IFRS in issue as adopted by the European Union.

### **Dividend**

Your Board recommends an interim dividend of 0.44p per share.

### **Business review**

Highlights:

- major sale from our gravity and magnetic datasets: \$864k gross income;
- Globe continues to be positively viewed by the current sponsors;
- demand for consultancy services remains strong, with increasing evidence of the value of our work at basin and block scales; and
- pipeline of sales opportunities highly encouraging.

During the half-year the business has been affected by what appear to be general restrictions on spending by our clients, who are in large part the major exploration and production ("E&P") companies. The performance of E&P companies has been weak during this period, for which several reasons have been put forward, including increased costs, expectation of lower oil prices and a lower exploration success rate. Likewise, the exploration services market has been negatively impacted which has led to a number of the major seismic consultancies showing large falls in revenue and profit and significant share price falls. These observations notwithstanding, our regular discussions with clients and the wider industry suggest that our products and services remain attractive and in demand.

By the end of the period the cash balance (including cash on deposit under "Other financial assets") amounted to £4.1m. The Company is hence still in a very strong financial position.

### **Outlook**

We start the second half of our year with strong cash balances and a substantial pipeline of sales opportunities. More importantly, the feedback from meetings early in 2014 suggests that not only do clients remain interested in our major products, but they now have budget available to spend. The oil price has been, and is currently, above the corresponding prices last year and we do not see

signs of it weakening. As such, we are optimistic that the trading performance in the first half represented a short term market-related issue.

During the second half year we anticipate additional sponsors will participate in Globe and, based on feedback from the current sponsors, we are confident that most will sign up for the next three year period, which will start in July 2014. In line with our existing plans, we aim to use Globe to build stronger relationships with an increasing group of clients with the aim of leveraging additional product sales and consultancy.

The plans for the second period of Globe include a more varied array of deliverables which can be provided to clients who are not currently Globe sponsors. This will substantially enhance our new product flow. Further, we will increase the resolution of the whole of Globe, adding more value to clients' smaller scale work and making it of more use outside the global new ventures teams. We have already seen the benefits of applying Globe to much smaller scale work, at basin scale and down to block level, particularly with small companies.

The consultancy side of the business has been growing and we anticipate that this will continue, with the aim of extending our portfolio of new contracts and having a range from a few days up to several man years per contract.

We remain confident about our medium and longer-term prospects.

**Stuart Paton**

*Non-Executive Chairman*

1 April 2014

## Consolidated statement of comprehensive income

For the six months ended 31 January 2014

	Note	Six months ended 31 January 2014 Unaudited £'000	Six months ended 31 January 2013 Unaudited £'000	Year ended 31 July 2013 Audited £'000
<b>Revenue</b>		<b>3,110</b>	3,967	8,011
Cost of sales		(1,137)	(870)	(2,521)
<b>Gross profit</b>		<b>1,973</b>	3,097	5,490
Administrative costs		(1,755)	(1,701)	(3,269)
<b>Operating profit</b>		<b>218</b>	1,396	2,221
Finance income		16	6	31
Finance costs		(1)	(4)	(6)
<b>Profit before tax</b>		<b>233</b>	1,398	2,246
Income tax expense		(40)	(338)	(611)
<b>Profit for the period attributable to owners of the parent</b>		<b>193</b>	1,060	1,635
<b>Other comprehensive income</b>				
Currency translation differences on translation of foreign operations		(90)	(30)	(39)
<b>Total comprehensive income for the year attributable to owners of the parent</b>		<b>103</b>	1,030	1,596
<b>Earnings per share</b>	5			
Basic earnings per share		<b>0.64p</b>	3.62p	5.57p
Diluted earnings per share		<b>0.60p</b>	3.28p	5.30p

## Consolidated statement of financial position

As at 31 January 2014

Company registration number 2891368

	31 January 2014 Unaudited £'000	31 January 2013 Unaudited £'000	31 July 2013 Audited £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,713	2,626	2,753
Intangible assets	505	651	616
Deferred tax assets	123	299	129
	<b>3,341</b>	<b>3,576</b>	<b>3,498</b>
<b>Current assets</b>			
Inventories	301	402	166
Trade and other receivables	1,124	1,180	2,123
Other financial assets	500	—	500
Other current assets	118	40	139
Cash and cash equivalents	3,603	5,578	4,358
	<b>5,646</b>	<b>7,200</b>	<b>7,286</b>
<b>Total assets</b>	<b>8,987</b>	<b>10,776</b>	<b>10,784</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	—	262	119
Trade and other payables	2,291	3,668	3,524
Current tax liabilities	53	487	109
	<b>2,344</b>	<b>4,417</b>	<b>3,752</b>
<b>Non-current liabilities</b>			
Trade and other payables	—	15	17
Deferred tax liabilities	88	57	110
	<b>88</b>	<b>72</b>	<b>127</b>
<b>Total liabilities</b>	<b>2,432</b>	<b>4,489</b>	<b>3,879</b>
<b>Net assets</b>	<b>6,555</b>	<b>6,287</b>	<b>6,905</b>
<b>Equity</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	76	73	76
Share premium account	3,013	2,848	2,993
Share option reserve	115	189	123
Currency translation reserve	(126)	(27)	(36)
Retained earnings	3,477	3,204	3,749
<b>Total equity</b>	<b>6,555</b>	<b>6,287</b>	<b>6,905</b>

## Consolidated statement of cash flows

For the six months ended 31 January 2014

	Six months ended 31 January 2014 Unaudited £'000	Six months ended 31 January 2013 Unaudited £'000	Year ended 31 July 2013 Audited £'000
<b>Cash flows from operating activities</b>			
Profit before tax	233	1,398	2,246
Share-based payment charges	10	—	23
Depreciation and amortisation charges	119	104	213
Finance income	(16)	(6)	(31)
Finance costs	1	4	6
Exchange adjustments	28	(5)	(77)
Increase in inventories	(135)	(342)	(106)
Decrease in trade and other receivables	1,000	1,782	840
(Decrease)/increase in trade and other payables	(1,250)	352	209
<b>Cash (used in)/generated from operations</b>	<b>(10)</b>	<b>3,287</b>	<b>3,323</b>
Income taxes refunded	(102)	(324)	(851)
<b>Net cash (used in)/generated from operating activities</b>	<b>(112)</b>	<b>2,963</b>	<b>2,472</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(14)	(24)	(191)
Funds transferred into fixed term deposits	—	—	(500)
Interest received	16	6	31
<b>Net cash generated from/(used in) investing activities</b>	<b>2</b>	<b>(18)</b>	<b>(660)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	20	7	154
Repayment of long-term borrowings	(119)	(143)	(286)
Dividends paid	(483)	(234)	(351)
Interest paid	(1)	(4)	(6)
<b>Net cash used in financing activities</b>	<b>(583)</b>	<b>(374)</b>	<b>(489)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(693)</b>	<b>2,571</b>	<b>1,323</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,358</b>	<b>3,011</b>	<b>3,011</b>
Exchange adjustments to cash and cash equivalents at beginning of period	(62)	(4)	24
<b>Cash and cash equivalents at end of period</b>	<b>3,603</b>	<b>5,578</b>	<b>4,358</b>

## Consolidated statement of changes in equity

For the six months ended 31 January 2014

	Share capital £'000	Share premium account £'000	Share option reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 August 2013 – audited	76	2,993	123	(36)	3,749	6,905
Issue of share capital under share-based payment options	—	20	(18)	—	18	20
Share-based payment charge	—	—	10	—	—	10
Dividends paid	—	—	—	—	(483)	(483)
<b>Transactions with owners</b>	<b>—</b>	<b>20</b>	<b>(8)</b>	<b>—</b>	<b>(465)</b>	<b>(453)</b>
Profit for the period	—	—	—	—	193	193
<b>Other comprehensive income</b>						

Currency translation differences	—	—	—	(90)	—	(90)
<b>Total comprehensive income for the period</b>	—	—	—	(90)	193	103
<b>At 31 January 2014 – unaudited</b>	76	3,013	115	(126)	3,477	6,555

## Notes to the interim report

For the six months ended 31 January 2014

### 1 Nature of operations

The principal activity of Getech Group plc (“the Company”) and its subsidiary company, Geophysical Exploration Technology Inc. (collectively “Getech” or “the Group”) is the provision of gravity and magnetic data, services and geological studies to the petroleum and mining industries to assist in their exploration activities.

### 2 General information

Getech Group plc is the Group’s ultimate Parent Company. It is incorporated in England and Wales and domiciled in England (CRN: 2891368). The address of its registered office is Convention House, St Mary’s Street, Leeds LS9 7DP. Its principal place of business is Kitson House, Elmete Hall, Elmete Lane, Leeds LS8 2LJ. The Company’s shares are admitted to trading on the London Stock Exchange’s AIM.

The financial information for the six months ended 31 January 2014 and 31 January 2013 has not been audited and does not constitute full financial statements within the meaning of Section 434 of the Companies Act 2006. These consolidated interim financial statements (“the interim financial statements”) have been approved by the Board.

The financial information relating to the year ended 31 July 2013 is based on the Group’s statutory accounts for that period. The statutory accounts were prepared in accordance with International Financial Reporting Standards (IFRS) in issue as adopted by the European Union. IFRS include interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The statutory accounts received an unqualified audit report, did not contain statements under Sections 498(2) or (3) of the Companies Act 2006 and have been filed with the Registrar of Companies.

### 3 Basis of preparation

The interim financial statements are for the six months ended 31 January 2014. They have been prepared using the recognition and measurement principles of IFRS. The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 31 July 2013.

The interim financial statements have been prepared under the historical cost convention except in relation to financial instruments held at face value through profit or loss. They have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 July 2013.

The accounting policies have been applied consistently throughout the Group for the purpose of preparation of the interim financial statements.

### 4 Dividends

Six months      Six months      Year

	<b>ended 31 January 2014 Unaudited £'000</b>	ended 31 January 2013 Unaudited £'000	ended 31 July 2013 Audited £'000
Paid during the period			
At: 1.6p per share (2013: 0.8p per share, year ended 31 July 2013: 1.2p per share)	<b>483</b>	234	352
Proposed after the period end (not recognised as a liability)			
At: 0.44p per share (2013: 0.4p per share, year ended 31 July 2013: 1.6p per share)	<b>133</b>	117	482

The proposed dividend is payable on 16 May 2014 to members on the register at 22 April 2014.

## 5 Earnings per share

Basic earnings per share is calculated on the basis of the profit for the period after tax, divided by the weighted average number of Ordinary Shares in issue in the period of 30,183,332 (six months ended 31 January 2013: 29,266,455; year ended 31 July 2013: 29,323,481).

Diluted earnings per share is calculated on the basis of the profit for the period after tax, divided by the weighted average number of Ordinary Shares in issue plus the weighted average number of Ordinary Shares which would be issued if all options granted were exercised. The addition to the weighted average number of Ordinary Shares used in the calculation of diluted earnings per share for the six months ended 31 January 2014 is 1,820,077 (six months ended 31 January 2013: 3,099,028; year ended 31 July 2013: 1,494,138). At 31 January 2014 600,000 of options in issue were anti-dilutive because the conditions for exercise had not been met (31 January 2013: 600,000; 31 July 2013: 600,000).

## 6 Interim Report

This Interim Report is being sent to the shareholders of Getech and will be available at its registered office, Convention House, St Mary's Street, Leeds LS9 7DP, UK, and from its website, [www.getech.com](http://www.getech.com), from 15 April 2014.