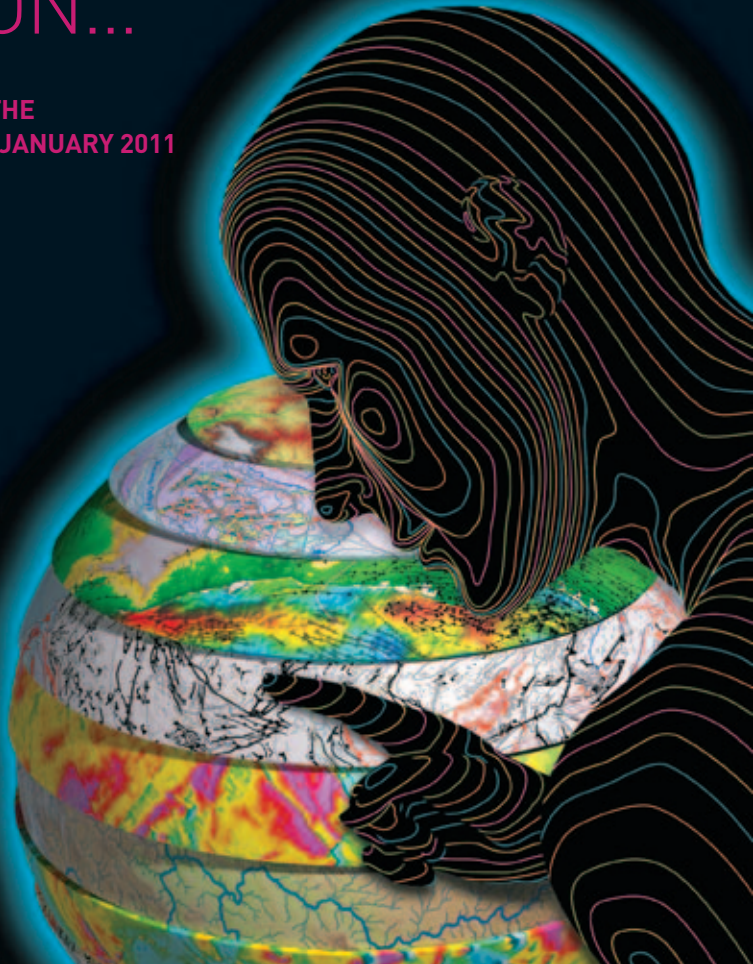




GETECH

# FOCUS ON...

GETECH GROUP PLC  
INTERIM REPORT FOR THE  
SIX MONTHS ENDED 31 JANUARY 2011



# CORPORATE STATEMENT

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**Founded in 1986, GETECH Group plc is a leading geosciences service company**

providing gravity and magnetic data and a growing suite of petroleum exploration studies to the oil and mining exploration industries.

By making use of our services, data and studies early in their programmes, exploration companies can be more cost effective and focused in their decision making.

## OUR BUSINESS

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Multi-disciplinary teams of technical experts



Including the world's largest gravity and magnetic library



A global portfolio of focused exploration reports

# HIGHLIGHTS

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- Revenue for the six months of £2,653,000 (six months ended 31 January 2010: £1,174,000)
- Profit before tax of £294,000 (six months ended 31 January 2010: loss £392,000)
- No interim dividend proposed (2010: no dividend)
- Oil markets more settled with strong oil price and exploration budgets increasingly available
- Cash levels recovering with gross cash of £1,026,000 and a very strong sales ledger at 31 January 2011
- Major new data marketing licence signed with Iraq
- Equatorial Atlantic study completed and selling very well

## REVIEW OF THE YEAR

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# CHAIRMAN'S STATEMENT



**Peter Stephens** – Non-Executive Chairman

“The strong oil price and clear indications that exploration budgets are increasingly available to us have resulted in a very strong revenue performance in this half year.”

I report the interim accounts of GETECH Group plc and its subsidiary company (collectively “GETECH”), the geoscience business specialising in the provision of data, studies and services to the petroleum and mining exploration sectors, for the six months ended 31 January 2011.

## RESULTS

GETECH is pleased to report a Group profit before tax of £294,000 (six months ended 31 January 2010: loss £392,000) after interest receivable of £3,000 (six months ended 31 January 2010: £3,000) on revenue of £2,653,000 (six months ended 31 January 2010: £1,174,000). The post-tax profit was £216,000 (six months ended 31 January 2010: loss £330,000).

The accounts have been prepared under IFRS.

## DIVIDEND

Your Board does not recommend an interim dividend.

## BUSINESS REVIEW

During the half year under review, we continued to see improvements in the market. The strong oil price and clear indications that exploration budgets are increasingly available to us have resulted in a very strong revenue performance in this half year. It is notable that the only previous half year in which we exceeded this level of revenue was when we made a major sale of a single dataset, at close to £1m.

We have been particularly pleased by the continuing strength of demand for our gravity and magnetic data. We also completed the Phase II of our “Geodynamics and Petroleum Geology of the Equatorial Atlantic” study and this has been selling extremely well.

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The work on the major proprietary contract we referred to in the announcement in September 2010 commenced in the autumn of 2010 and we are very pleased with the progress. After a very long gestation period, in December 2010 we were very pleased to announce the completion of an exclusive data marketing agreement with Iraq. The first modest sales from this dataset were made within days of the contracts being completed and we remain optimistic about future sales in this region, which includes very major oil reserves.

We have continued to repay the principal amounts on the loan that we negotiated in 2009 and cash has begun to recover. At 31 January the gross cash stood at £1,026,000 and the sales ledger stood at £1,374,000.

#### **OUTLOOK**

Looking forward to the second half of this financial year, we plan to complete the large proprietary contract referred to earlier. We also plan that the major parts of the Iraq dataset will be ready for sale later in the period, as will our new European Mediterranean Magnetic project.

The oil price has continued to be strong, typically above \$90 per barrel, which is encouraging for exploration in general and for our part of the market in particular.

GETECH's result for the full year to July 2011 is, as usual, dependent on the crystallisation of a number of deals and the pattern of demand in the remaining few months of the year. However, we have already seen that the market has demonstrably recovered and the Directors believe that this will be reflected in the continuing recovery of our business.

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



**PETER STEPHENS**  
**NON-EXECUTIVE CHAIRMAN**  
**30 MARCH 2011**

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# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 JANUARY 2011

	Six months ended 31 January 2011 Unaudited £'000	Six months ended 31 January 2010 Unaudited (Restated) £'000	Year ended 31 July 2010 Audited £'000
<b>Revenue</b>	<b>2,653</b>	1,174	3,255
Cost of sales	<b>(1,469)</b>	(733)	(1,915)
<b>Gross profit</b>	<b>1,184</b>	441	1,340
Administrative costs	<b>(883)</b>	(831)	(1,563)
<b>Operating profit/(loss)</b>	<b>301</b>	(390)	(223)
Finance income	<b>3</b>	3	11
Finance costs	<b>(10)</b>	(5)	(16)
<b>Profit/(loss) before tax</b>	<b>294</b>	(392)	(228)
Income tax (expense)/income	<b>(78)</b>	62	(30)
<b>Profit/(loss) for the period attributable to owners of the parent</b>	<b>216</b>	(330)	(258)
<b>Other comprehensive income</b>			
Currency translation differences on translation of foreign operations	<b>(32)</b>	(2)	56
<b>Total comprehensive income for the year attributable to owners of the parent</b>	<b>184</b>	(332)	(202)
<b>Earnings/(loss) per share</b>			
Basic earnings/(loss) per share	<b>0.74p</b>	(1.13)p	0.88p
Diluted earnings/(loss) per share	<b>0.73p</b>	(1.13)p	0.86p

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2011

	31 January 2011 Unaudited £'000	31 January 2010 Unaudited £'000	31 July 2010 Audited £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,681	2,711	2,685
Intangible assets	917	1,035	1,018
Deferred tax assets	67	228	59
	<b>3,665</b>	3,974	3,762
<b>Current assets</b>			
Inventories	471	454	510
Trade and other receivables	1,838	831	1,150
Other current assets	19	189	88
Cash and cash equivalents	1,026	1,007	847
	<b>3,354</b>	2,481	2,595
<b>Total assets</b>	<b>7,019</b>	6,455	6,357
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	286	190	286
Trade and other payables	1,736	1,323	1,200
Current tax liabilities	80	—	—
	<b>2,102</b>	1,513	1,486
<b>Non-current liabilities</b>			
Borrowings	547	810	690
Trade and other payables	73	83	83
Deferred tax liabilities	6	28	—
	<b>626</b>	921	773
<b>Total liabilities</b>	<b>2,728</b>	2,434	2,259
<b>Net assets</b>	<b>4,291</b>	4,021	4,098
<b>Equity</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	73	73	73
Share premium account	2,841	2,841	2,841
Share option reserve	167	211	158
Currency translation reserve	4	(22)	36
Retained earnings	1,206	918	990
<b>Total equity</b>	<b>4,291</b>	4,021	4,098

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE SIX MONTHS ENDED 31 JANUARY 2011

	<b>Six months ended 31 January 2011 Unaudited £'000</b>	Six months ended 31 January 2010 Unaudited £'000	Year ended 31 July 2010 Audited £'000
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax	<b>294</b>	(392)	(228)
Share-based payment charges/(credits)	<b>9</b>	17	(36)
Depreciation and amortisation charges	<b>105</b>	105	211
Finance income	<b>(3)</b>	(3)	(11)
Finance costs	<b>10</b>	5	16
Exchange adjustments	<b>12</b>	(4)	(3)
Decrease/(increase) in inventories	<b>39</b>	(161)	(217)
Increase in trade and other receivables	<b>(688)</b>	(175)	(496)
Increase/(decrease) in trade and other payables	<b>526</b>	53	(94)
<b>Cash generated from/(used in) operations</b>	<b>304</b>	(555)	(858)
Income taxes refunded	<b>69</b>	3	155
<b>Net cash generated from/(used in) operating activities</b>	<b>373</b>	(552)	(703)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<b>(33)</b>	(3)	(13)
Interest received	<b>3</b>	3	11
<b>Net cash used in investing activities</b>	<b>(30)</b>	—	(2)
<b>Cash flows from financing activities</b>			
Proceeds from long-term borrowings	<b>—</b>	984	1,000
Repayment of long-term borrowings	<b>(143)</b>	—	(24)
Interest paid	<b>(10)</b>	(5)	(16)
<b>Net cash (used in)/generated from financing activities</b>	<b>(153)</b>	979	960
<b>Net increase in cash and cash equivalents</b>	<b>190</b>	427	255
<b>Cash and cash equivalents at beginning of period</b>	<b>847</b>	580	580
Exchange adjustments to cash and cash equivalents at beginning of period	<b>(11)</b>	—	12
<b>Cash and cash equivalents at end of period</b>	<b>1,026</b>	1,007	847



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 JANUARY 2011

	Unaudited					Total equity £'000
	Share capital £'000	Share premium account £'000	Share option reserve £'000	Currency translation reserve £'000	Retained earnings £'000	
At 1 August 2010	73	2,841	158	36	990	4,098
Share-based payment charges	—	—	9	—	—	9
<b>Transactions with owners</b>	—	—	9	—	—	9
Profit for the period	—	—	—	—	216	216
<b>Other comprehensive income</b>						
Currency translation differences	—	—	—	(32)	—	(32)
<b>Total comprehensive income for the period</b>	—	—	9	(32)	216	193
<b>At 31 January 2011</b>	<b>73</b>	<b>2,841</b>	<b>167</b>	<b>4</b>	<b>1,206</b>	<b>4,291</b>

# NOTES TO THE INTERIM REPORT

## FOR THE SIX MONTHS ENDED 31 JANUARY 2011

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### 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, a limited liability company, 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. GETECH's shares are admitted to trading on the London Stock Exchange's AIM.

The financial information for the six months ended 31 January 2011 and 31 January 2010 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 2010 does not constitute full financial statements within the meaning of Section 434 of the Companies Act 2006. This information is based on the Group's statutory accounts for that period.

The statutory accounts were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and received an unqualified audit report and did not contain statements under Sections 498(2) or (3) of the Companies Act 2006. Those financial statements have been filed with the Registrar of Companies.

### 3 BASIS OF PREPARATION

The interim financial statements are for the six months ended 31 January 2011. They have been prepared using the recognition and measurement principles of IFRS. IFRS include interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC). They 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 2010.

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.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 July 2010.

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

In the year ended 31 July 2010 there was a prior year restatement of cost of sales. This resulted in a restatement in the Consolidated statement of comprehensive income. There was no impact on the reported results and the only effect was to transfer costs from "Administrative costs" to "Cost of sales". The figures for the six months ended 31 January 2010 are restated in the Consolidated statement of comprehensive income.

#### 4 DIVIDENDS

No dividends were paid during the period (six months ended 31 January 2010: £nil; year ended 31 July 2010: £nil).

#### 5 SHARE OPTIONS

During the period the Company issued share options to certain staff members and Directors of GETECH in place of existing options held by them in order to: (i) adjust the exercise price of existing options to bring them more into line with the current market price; and (ii) reduce the number of options held as a consequence.

In addition the Company has taken the opportunity to issue new options to one Director in recognition of his significant and ongoing contribution to the Company.

#### 6 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 29,237,151 (six months ended 31 January 2010: 29,237,151; year ended 31 July 2010: 29,237,151).

Diluted earnings per share is calculated on the basis of the profit for the year 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 2011 is 399,725 (six months ended 31 January 2010: 1,256,573; year ended 31 July 2010: 519,146). A minority of options in issue at 31 January 2011 were anti-dilutive (31 January 2010: all options; 31 July 2010: a majority of options).

#### 7 INTERIM REPORT

This Interim Report is being sent to the shareholders of GETECH and will be available at its registered office.

# DIRECTORS, SECRETARY AND ADVISORS

## DIRECTORS

Peter Stephens  
Non-executive Chairman

Professor Derek Fairhead  
President

Raymond Wolfson  
Chief Executive Officer

Ian Somerton  
Marketing Director

Dr Paul Markwick  
Technical Director

Colin Glass  
Non-executive Finance Director

Dr David Roberts  
Non-executive Director

Dr Alison Fielding  
Non-executive Director

## COMPANY SECRETARY

Colin Glass

## REGISTERED OFFICE

Convention House  
St Mary's Street  
Leeds LS9 7DP

## COMPANY REGISTRATION NUMBER

2891368

## NOMINATED ADVISOR AND BROKER

WH Ireland Limited

Third Floor  
Royal House  
28 Sovereign Street  
Leeds LS1 4BJ

## AUDITOR

Grant Thornton UK LLP  
No. 1 Whitehall Riverside  
Whitehall Road  
Leeds LS1 4BN

## SOLICITORS

Walker Morris  
Kings Court  
12 King Street  
Leeds LS1 2HL

## PRINCIPAL BANKERS

National Westminster Bank Plc  
PO Box 183  
8 Park Row  
Leeds LS1 1QT

## REGISTRARS

Capita Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield HD8 0LA

## GETECH GROUP PLC

Kitson House  
Elmete Hall  
Elmete Lane  
Leeds LS8 2LJ

Tel: 0113 322 2200

Fax: 0113 273 5236

Email: [info@getech.com](mailto:info@getech.com)

Web: [www.getech.com](http://www.getech.com)