

getech

Getech Group plc

Interim Report for the six months ended 31 January 2013

Leaders in the world of natural resource location

Getech is a leading petroleum and minerals consultancy providing a range of data and interpretation solutions to exploration teams around the world.

Driven by an entrepreneurial vision, we have now released our strategic “Globe” platform, which provides a coherent, robust framework in which all of our traditional gravity and magnetic data and new interpretations are built and delivered.

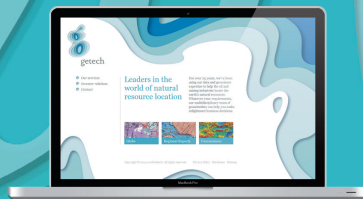
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Highlights

- Revenue for the six months of £3,967,000 (six months ended 31 January 2012: £3,193,000) representing growth of 24%
- Profit before tax of £1,398,000 (six months ended 31 January 2012: £358,000) representing growth of 290%
- Interim dividend proposed 0.4p per share (2012: 0.2p per share)
- Cash levels strong with gross cash of £5,578,000
- Significant levels of forward committed income
- Strong oil price continues to underpin exploration commitments

Chairman's Statement



Dr Stuart Paton
Non-executive Chairman

Results

Getech is pleased to report a Group profit before tax of £1,398,000 (six months ended 31 January 2012: £358,000) after interest receivable of £6,000 (six months ended 31 January 2012: £3,000) on revenue of £3,967,000 (six months ended 31 January 2012: £3,193,000). The post-tax profit was £1,060,000 (six months ended 31 January 2012: £292,000).

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

Dividend

Your Board recommends an interim dividend of 0.4p per share.

Business review

Highlights:

- five new Globe sponsors – immediate income from delivery of year one products plus committed income for years two and three;
- major sales of global gravity and magnetic data-sets;
- evidence of Globe leveraging further sales of both geological studies and data;
- first Globe sponsors' meetings a great success; and
- demand for our services strong.

The continued strong performance during this half year has been based on securing further Globe sponsors and major sales of our global gravity and magnetic data-sets, underpinned by the strong oil price. The strong oil price results in E&P companies continuing to increase expenditure on exploration which leads to strengthening demand for our products.

In the last six months, we have secured a further five Globe core sponsors, bringing the total to ten companies. Our Globe sponsors now represent a broad range of E&P companies, based in a number of countries and pursuing different exploration strategies. These new sponsors join the initial three years of our core Globe programme. The first year deliverables are available immediately after signature and the year one income is recognised on delivery of the year one products, leaving committed income for years two and three of the core programme. In the autumn of 2012 we held our first Globe sponsors' meetings in Houston and Leeds. These were very well attended and received by our clients. We believe these forums are an invaluable way of providing face-to-face contact, updating the sponsors on progress and understanding their needs in more detail. As expected, we are also finding that we are securing further sales of geological studies and data through the Globe sponsorship.

In January, we announced two significant sales of our global gravity and magnetic data-sets worth in aggregate \$2m. These sales demonstrate the continued need for E&P companies to access global data-sets, and also the value of the interactions with clients through the Globe work.

We have continued to repay the principal amounts on the loan that we negotiated in 2009 and the combination of profitable trading and advance payments from clients has generated a very strong cash position. At 31 January 2013 the gross cash stood at £5,578,000.

Outlook

We believe that the forecast continuing strong oil prices will underpin future demand for our products. We also anticipate that the strong support for our core Globe programme will lead to sales of ancillary products to

these sponsors and provide a catalyst for further companies to commit to this initial period of Globe.

The first half year has been particularly successful and we look forward to demonstrating continued strong growth on an annual basis. Getech's results for the full year to July 2013 will, as usual, depend on finalising a number of deals and the precise demand in the remaining months of the year. However, the securing of ten Globe sponsors provides a significant level of committed income for the period to mid 2014. This gives us, for the first time, a greater degree of certainty on our forward-looking financial performance. We hence remain confident about our medium and long-term prospects.

Dr Stuart Paton

Non-executive Chairman

9 April 2013

Consolidated statement of comprehensive income

For the six months ended 31 January 2013

	Note	Six months ended 31 January 2013 Unaudited £'000	Six months ended 31 January 2012 Unaudited £'000	Year ended 31 July 2012 Audited £'000
Revenue		3,967	3,193	6,441
Cost of sales		(870)	(1,658)	(2,692)
Gross profit		3,097	1,535	3,749
Administrative costs		(1,701)	(1,173)	(2,495)
Operating profit		1,396	362	1,254
Finance income		6	3	6
Finance costs		(4)	(7)	(13)
Profit before tax		1,398	358	1,247
Income tax expense		(338)	(66)	(317)
Profit for the period attributable to owners of the parent		1,060	292	930
Other comprehensive income				
Currency translation differences on translation of foreign operations		(30)	32	11
Total comprehensive income for the year attributable to owners of the parent		1,030	324	941
Earnings per share	5			
Basic earnings per share		3.62p	1.00p	3.18p
Diluted earnings per share		3.28p	0.93p	2.97p

Consolidated statement of financial position

As at 31 January 2013

Company registration number 2891368

	31 January 2013 Unaudited £'000	31 January 2012 Unaudited £'000	31 July 2012 Audited £'000
Assets			
Non-current assets			
Property, plant and equipment	2,626	2,641	2,640
Intangible assets	651	807	738
Deferred tax assets	299	82	249
	3,576	3,530	3,627
Current assets			
Inventories	402	344	60
Trade and other receivables	1,180	1,445	2,963
Other current assets	40	18	19
Cash and cash equivalents	5,578	1,871	3,011
	7,200	3,678	6,053
Total assets	10,776	7,208	9,680
Liabilities			
Current liabilities			
Borrowings	262	286	286
Trade and other payables	3,668	1,579	3,300
Current tax liabilities	487	79	410
	4,417	1,944	3,996
Non-current liabilities			
Borrowings	—	262	119
Trade and other payables	15	32	32
Deferred tax liabilities	57	43	49
	72	337	200
Total liabilities	4,489	2,281	4,196
Net assets	6,287	4,927	5,484
Equity			
Equity attributable to owners of the parent			
Share capital	73	73	73
Share premium account	2,848	2,841	2,841
Share option reserve	189	190	189
Currency translation reserve	(27)	24	3
Retained earnings	3,204	1,799	2,378
Total equity	6,287	4,927	5,484

Consolidated statement of cash flows

For the six months ended 31 January 2013

	Six months ended 31 January 2013 Unaudited £'000	Six months ended 31 January 2012 Unaudited £'000	Year ended 31 July 2012 Audited £'000
Cash flows from operating activities			
Profit before tax	1,398	358	1,247
Share-based payment charges	—	13	11
Depreciation and amortisation charges	104	101	203
Finance income	(6)	(3)	(6)
Finance costs	4	7	13
Exchange adjustments	(5)	(6)	(35)
(Increase)/decrease in inventories	(342)	129	413
Decrease/(increase) in trade and other receivables	1,782	155	(1,363)
Increase/(decrease) in trade and other payables	352	(9)	1,716
Cash generated from operations	3,287	745	2,199
Income taxes refunded	(324)	—	(83)
Net cash generated from operating activities	2,963	745	2,116
Cash flows from investing activities			
Purchase of property, plant and equipment	(24)	(18)	(51)
Interest received	6	3	6
Net cash used in investing activities	(18)	(15)	(45)
Cash flows from financing activities			
Proceeds from issue of share capital	7	—	—
Repayment of long-term borrowings	(143)	(143)	(286)
Dividends paid	(234)	(58)	(117)
Interest paid	(4)	(7)	(13)
Net cash used in financing activities	(374)	(208)	(416)
Net increase in cash and cash equivalents	2,571	522	1,655
Cash and cash equivalents at beginning of period	3,011	1,345	1,345
Exchange adjustments to cash and cash equivalents at beginning of period	(4)	4	11
Cash and cash equivalents at end of period	5,578	1,871	3,011

Consolidated statement of changes in equity

For the six months ended 31 January 2013

	Share capital £'000	Share premium account £'000	Share option reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 August 2012 – audited	73	2,841	189	3	2,378	5,484
New share capital subscribed	—	7	—	—	—	7
Dividends paid	—	—	—	—	(234)	(234)
Transactions with owners	—	7	—	—	(234)	(227)
Profit for the period	—	—	—	—	1,060	1,060
Other comprehensive income						
Currency translation differences	—	—	—	(30)	—	(30)
Total comprehensive income for the period	—	—	—	(30)	1,060	1,030
At 31 January 2013 – unaudited	73	2,848	189	(27)	3,204	6,287

Notes to the interim report

For the six months ended 31 January 2013

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 2013 and 31 January 2012 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 2012 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 2013. 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 2012.

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 2012.

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

4 Dividends

	Six months ended 31 January 2013 Unaudited £'000	Six months ended 31 January 2012 Unaudited £'000	Year ended 31 July 2012 Audited £'000
Paid during the period			
At: 0.8p per share (2012: 0.2p per share, year ended 31 July 2012: 0.4p per share)	235	58	116
Proposed after the period end (not recognised as a liability)			
At: 0.4p per share (2012: 0.2p per share, year ended 31 July 2012: 0.8p per share)	117	58	234

The proposed dividend is payable on 17 May 2013 to members on the register at 19 April 2013.

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 29,266,455 (six months ended 31 January 2012: 29,237,151; year ended 31 July 2012: 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 2013 is 3,099,028 (six months ended 31 January 2012: 2,088,414; year ended 31 July 2012: 2,040,924). At 31 January 2013 no options in issue were anti-dilutive (31 January 2012: minority of options in issue; 31 July 2012: minority of options in issue).

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.



Directors, secretary and advisors

Directors

Dr Stuart Paton

Non-executive Chairman

Raymond Wolfson

Chief Executive Officer

Professor Derek Fairhead

President and Founder

Professor Paul Carey

Marketing and Sales Director

Dr Paul Markwick

Technical Director

Peter Stephens

Non-executive Director

Colin Glass

Non-executive Finance Director

Dr Alison Fielding

Non-executive Director

Company Secretary

Colin Glass

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Company registration number

2891368

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