

# Digitech Ltd.

Revised March 27, 1985 (IC)  
 Destroy all previous Basic and White  
 cards on this Company

CUSIP Number 253881  
 Stock Symbol DGT

Head Office — 850, Bow Valley Square 3, 255-5th Avenue S.W., Calgary, Alberta T2P 2W7.

Telephone — (403) 265-3484

THE COMPANY, through subsidiaries and divisions, is primarily engaged in offering computer processing services for the commercial earth sciences.

Fiscal Year	Total Assets	Shldrs.' Equity	Working Capital	COMPARATIVE DATA					Price Range High Low
				Revenue	Net Inc. Oper.	Earns. Per Sh.	Divds. Paid		
				000's				Common Shares	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1984....	24,096	6,263	d974	32,554	d1,004	d0.07	....	0.57	0.32
1983....	29,702	7,776	d199	31,251	d7,327	d0.96	....	1.75	0.32
1982....	52,909	3,086	d1,387	50,974	138	0.04	....	4.80	1.30
1981....	54,696	9,508	1,066	46,626	786	0.23	0.25	12.50	4.00
1980....	25,481	7,146	535	22,614	1,198	0.45	0.25	13.50	5.25

□ Calendar year.

CONSOLIDATED CAPITALIZATION AS AT JUNE 30, 1984			
	Outstanding		%
Long-term debt .....		\$12,422,000	66
Preferred stock .....	20,000 shs.	400,000	
Common stock .....	13,417,616 shs.	24,718,000	34
Deficit & foreign exch. adjust. ....		d18,855,000	

## SUMMARY STATEMENT

For the six months ended Dec. 31, 1984, net loss totaled \$1,727,000 or 13 cents per share compared with a net loss of \$1,387,000 or 10 cents per share for the corresponding year-earlier period. Revenue increased 6% to \$13,465,000 from \$12,747,000 for the previous fiscal year half. The company reported all divisions and subsidiary companies except for Digiseis Exploration Pty. Ltd. in Australia contributed to the loss for the first half of fiscal 1985.

Financial results for the fiscal year ended June 30, 1984, showed net loss, operations of \$1,004,000 or seven cents per share, down significantly from a net loss, operations of \$7,327,000 or 96 cents per share for the corresponding year-earlier. After extraordinary losses, net loss for fiscal 1984 totaled \$2,677,000 or 20 cents per share compared with net loss of \$11,591,000 or \$1.51 for fiscal 1983. Revenue increased 4%.

A private placement of 20,000 convertible preferred shares was completed in November, 1983, with Canadian Enterprises Development Corporation Limited and J.C. International Petroleum Ltd. At the same time as their subscription of preferred shares, each company also obtained a three-year option to purchase 1,000,000 Digitech common shares from the former shareholding of Conrad-Burt Industries Ltd. (held by The Canadian Imperial Bank of Commerce) and to vote these shares during the term of the option which expires in November, 1986.

Total long-term debt was reduced to \$12,422,000 from \$14,612,000 during fiscal 1984. The rapid maturing and paying down of long-term debt kept working capital in a deficit position.

Working capital deficit at June 30, 1984, totaled \$974,000. The year-end provision for a note receivable that was in default, had a direct affect of reducing working capital by \$704,000. For the six months ended Dec. 31, 1984, working capital decreased by \$815,000 to stand at a deficit of \$1,789,000.

N.B. — For quick reference data, see page 2.

## THE FINANCIAL POST CORPORATION SERVICE

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## QUICK REFERENCE DATA

**Major Shareholder**—At June 30, 1984, The Canadian Imperial Bank of Commerce held 37.5% of the company's outstanding common stock.

**Employees**—Approximately 300 in January 1985.

**Incorporation**—Alberta, amalgamation, August 10, 1973.

**Auditors**—Price Waterhouse, C.A., Calgary.

**Fiscal Year Ends**—June 30.

**Annual Report Appeared**—In November in 1984.

**Common Shareholders**—1,038 at June 30, 1984.

**Annual Meeting**—November 28 in 1984.

**Bankers**—Canadian Imperial Bank of Commerce, Calgary; United Bank of Denver, Denver; Bank of New South Wales, Brisbane, Australia.

**Listed**—Toronto Stock Exchange.

**Transfer Agent & Registrar**—The Montreal Trust Co., Calgary, Toronto and Vancouver (common shares).

## COMPANY

The company serves a number of sectors of international energy industries providing geophysical data collection, technical computer processing and software, and the rental, sales and service of drilling equipment.

The largest single revenue segment is generated from geophysical data collection in Canada, the United States and Australia.

## OPERATIONS

The company provides computer, oilfield and geophysical services and is engaged in equipment manufacturing.

## Computer Services:

This division which is conducted through the Digitech Systems division is divided into two segments. The first involves the digital processing of land and marine survey data for the petroleum industry. The second segment is involved in the design, implementation and maintenance of systems for the storage and retrieval of data pertaining to exploratory and development wells in western Canada, access to which may be given directly to clients through computer terminals at their premises or through the company's personnel at the request of clients without in-house terminals. This division also designs, implements and maintains custom software and renders consulting and supervisory services with respect to hardware and software design and implementation.

## Oilfield Services:

Through Drill-Rite, the company is involved in the oilfield supply, service and rental business in western Canada, Nova Scotia and Newfoundland. Drill-Rite maintains service centres in Calgary and Edmonton, Alta., St. John's, Nfld. and Dartmouth, N.S.

## Geophysical Services:

The company, through Digiseis, engages in the business of geophysical data acquisition in western Canada, the United States and Australia. Digiseis operates three dynamite crews in Western Canada, each crew is equipped with 96 trace D.F.S. instruments; three "vibroiseis" crews, two in Canada and one in the U.S., each equipped with 96 trace instruments; and one seismic crew in Australia, also equipped with 96 trace instruments.

## REVENUE

Revenue by industry segment for the past two fiscal years, as shown in the fiscal 1984 annual report has been as follows:

	1984		1983	
	\$000's	%	\$000's	%
Computer services	6,813	21	7,611	24
Oilfield services	8,162	25	7,840	25
Geophysical services	17,084	52	15,800	51
Corporate	495	2	—	—
	32,554	100	31,251	100

Revenue by geographic segment for the past two fiscal years, as shown in the fiscal 1984 annual report, has been as follows:

	1984		1983	
	\$000's	%	\$000's	%
United States	3,207	10	6,246	20
Canada	26,197	80	20,903	67
Australia	2,665	8	4,102	13
Corporate	495	2	—	—
	32,554	100	31,251	100

## EARNINGS

Operating income (earnings before income taxes and minority interests) by industry segment for the past two fiscal years, as shown in the fiscal 1984 annual report, has been as follows:

	1984		1983	
	\$000's		\$000's	
Computer services	d26		d480	
Oilfield services	987		1,144	
Geophysical services	511		d950	
Interest and Gen. Corp.	d1,680		d3,370	
	d208		d2,696	

Operating income (earnings before income taxes and minority interests) by geographic segment for the past two fiscal years, as shown in the fiscal 1984 annual report, has been as follows:

	1984		1983	
	\$000's		\$000's	
United States	d234		d616	
Canada	2,335		2,627	
Australia	d629		d1,337	
Interest and Gen. Corp.	d1,680		d3,370	
	d208		d2,696	

## CAPITAL EXPENDITURES

Expenditures for fixed assets in recent years have been as follows:

1975	\$90,000	1980	\$4,780,000
1976	40,000	1981	17,051,000
1977	110,000	1982	12,001,000
1978	337,000	1983	2,161,000
1979	6,310,000	1984	1,973,000

Capital expenditures by industry segment for fiscal 1984 were as follows: \$110,000 for computer services; \$1,148,000 for geophysical services; and \$715,000 for oilfield services.

## ACCOUNTING CHANGES

In fiscal 1982, the company changed its method of accounting for the investment in seismic funds carried at net cost to the amortization of the net costs over three years from the date that the fund data is available for sale. In June 1982 the company changed its treatment of foreign currency translation to comply with the Institute of Chartered Accountants recommendation. The effect of this change was to increase the income of the company as follows: \$12,000 in 1982; \$39,000 in 1981; and \$24,000 in previous years.

## HISTORY

The company is a continuing company resulting from the amalgamation under the laws of Alberta on June 30, 1973, of CDP Computer Data Processors Limited, Digitech Corp. Ltd. and Digital Technology (Calgary) Ltd. Shares of CDP were exchanged for shares of the amalgamated company on a share-for-share basis, while shares of Digitech were exchanged on a 13.32 new shares for one old share basis.

During 1977, the company acquired 51% of Nobbs Buchner and Associates Ltd., an Edmonton-based mar-



keting and computer system operations consultant. Also during the year Digitech Inc. of Denver was sold and Digitech Systems Co. Ltd. was combined with the company.

In 1978, Digiseis Exploration Ltd. and Digiseis Exploration Inc., in which the company's ownership was 45% and 51.5% respectively, were formed.

In 1979, Pennington Drilling & Blasting Ltd. was acquired.

On Jan. 1, 1980, the company acquired all of the shares of Canan Cementers Co. Ltd., a company engaged in well completion services. The name of this company was subsequently changed to Canan Well Services Ltd. In June, 1980, the manufacturing division of CEDA Manufacturing & Sales Ltd., which was also acquired at that time. These operations all became a division of the company. Also during the year, the remaining interests in Digiseis Exploration Ltd., and Digiseis Exploration Inc. were acquired, and Digiseis Exploration Pty. Ltd. was formed.

On Jan. 1, 1981, the company acquired Drill-Rite Industries Ltd. for a cash consideration of \$1,570,000, 70,000 shares of the company and a \$1,192,500 unsecured, interest-free note. Subsequently in 1981, Dyer Equipment Ltd. was acquired and the operations of Canan Well Services Ltd. were terminated.

Effective Dec. 31, 1981, the major assets of Pennington Drilling & Blasting Ltd. were sold and all Canadian subsidiaries were continued as operating divisions of the company.

In early February, 1982, Canan Well Services operations were closed down and the assets were put up on sale. Approximately \$7 million of assets had been sold at September, 1982.

Effective Mar. 31, 1982, the Pennington Drilling & Blasting Division was sold.

On Jan. 4, 1983, the fixed assets and operations of Dyer Equipment Manufacturing were sold for a total consideration of \$210,000.

#### WHOLLY-OWNED SUBSIDIARIES

**Digiseis Exploration Inc.**—7108 South Alton Way, Bldg. #17D, Englewood, Col. 80012.

**Digiseis Exploration Pty. Ltd.**—37 Colebard St. W., Archerfield, 4108, Queensland, Australia.

**Digitech Inc.**—Inactive.

#### OFFICERS AND DIRECTORS

**Officers**—R. Burke, chm.; D. C. Burt, pres. & chief exec. off.; K. L. Godwin, v.p. fin. & sec. treas.

**Directors**—R. Burke, Vancouver; D. C. Burt, E. K. Conrad, Calgary; F. H. G. Drury, R. A. McAlpine, Edmonton.

#### CAPITAL STOCK (As at June 30, 1984)

	Author.	Outstand.	Par
Preferred	2,500,000 sh.		\$20
6½% Ser. A		20,000 sh.	
Common	20,000,000 sh.	13,417,616 sh.	n.p.v.

**Preferred, Series A**—Entitled to annual dividend rate equal to one-half prime rate plus 1%. Convertible into common shares at 40 cents per share. Voting. Placed privately in November, 1983 at \$20 per share.

**Common**—Entitled to one vote per share.

#### CHANGES IN CAPITAL STOCK

Upon amalgamation in 1973, authorized capital stock consisted of 100,000 preferred shares, \$20 par value, and 5,000,000 common shares, n.p.v. of which 1,584,139 were outstanding.

Until June 30, 1979, 1,067,889 common shares were issued under options.

Subsequent to fiscal 1980, 109,600 common shares were issued for the acquisition of Dyer Equipment Ltd.

During fiscal 1980, 431,702 common shares were issued under a rights offering and 210,240 were issued on an acquisition.

During fiscal 1981, 10,046 common shares were issued for rights offerings; 4,000 for employee stock

options and 179,600 on an acquisition.

During fiscal 1982, authorized capital was increased to 2,500,000 preferred shares, \$20 par value, and 10,000,000 common shares, n.p.v.

During fiscal 1983, authorized capital was increased by an additional 10,000,000 common shares. Also, 9,900,000 common shares were issued on conversion of the 12% debentures.

In November, 1983, 20,000 convertible voting preferred shares were placed privately. Also in fiscal 1984, 30,000 common shares were issued through the exercise of employees stock options. Capital stock outstanding at June 30, 1984, comprised 20,000 preferred and 13,417,616 common shares.

#### PRICE RANGE OF STOCK Common

Year	High	Low	Year	High	Low
1975 ....	\$0.75	\$0.30	1980 ....	\$13.50	\$5.25
1976 ....	0.80	0.36	1981 ....	12.50	4.00
1977 ....	2.40	0.40	1982 ....	4.80	1.30
1978 ....	2.75	1.55	1983 ....	1.75	0.32
1979 ....	6.38	2.45	1984 ....	0.57	0.32

#### DIVIDENDS

**Common**—Dividends are presently being omitted. The semi-annual dividend normally payable in December was omitted in 1981 and previously, a rate of 25 cents per share per annum was paid semi-annually from Mar. 2, 1979 to Apr. 30, 1981, inclusive.

An initial dividend of 10 cents per share was paid on Oct. 26, 1978. Subsequently a rate of 25 cents per share per annum was paid quarterly from Mar. 2, 1979 to Apr. 30, 1981, inclusive.

#### LONG-TERM DEBT

Long-term debt outstanding at June 30, 1984, totaled \$12,422,000 including \$6,445,000 due within one year.

Amounts due for the next five fiscal years are as follows: \$6,445,000 in fiscal 1985; \$1,846,000 in fiscal 1986; \$1,995,000 in fiscal 1987; \$1,050,000 in fiscal 1988; and \$920,000 in fiscal 1989.

Debt comprised: \$10,347,000 in Canadian bank debt at prime plus ¾% to 1%, repayable over 62 months; \$495,000 in U.S. bank debt at prime plus 1% repayable over seven months; \$812,000 in non-interest bearing promissory note, repayable in varying monthly instalments to 1986; \$193,000 in supplier financing at prime plus 1% to 2%, repayable in varying monthly instalments to 1987; \$125,000 in lease financing with interest at 16.2%, repayable in 20 monthly instalments; and \$450,000 in non-interest bearing supplier financing, repayable in 12 monthly instalments.

#### PREVIOUS LONG-TERM DEBT

##### 12% Convertible Debentures:

Dated June 30, 1981; due June 30, 1996.

Was converted following shareholders approval on Jan. 27, 1983. Each \$1,000 of debentures and accrued interest from July 1, 1982 to the date of the exchange was exchanged for 600 common shares and warrants to purchase 200 common shares.

Trustee—The Canada Trust Co.

#### INTERIM REPORT

For the six months ended Dec. 31, 1984, net loss increased to \$1,727,000 or 13 cents per share, compared with a loss of \$1,387,000 or 10 cents per share, for the corresponding year-earlier period. Revenue from operations improved 6% to \$13,465,000 from \$12,747,000 for the fiscal 1984 first half.

For the three months ended Dec. 31, 1984, net loss amounted to \$1,090,000 or eight cents per share, compared with a loss of \$781,000 or six cents per share for the corresponding year-earlier period. Revenue increased 16% to \$7,674,000 from \$6,659,000.

Digiseis Exploration Pty. Ltd. and Digiseis Exploration (Canada) were the only two operations which showed improved results over the year-earlier period.

Working capital decreased \$815,000 for the first half of fiscal 1985, to stand at a deficit of \$1,789,000 at Dec. 31, 1984.

## INTERIM EARNINGS

Fiscal Year	Total Revenue	Net Inc. Oper.	Earns. Per Sh.	Total Revenue	Net Inc. Oper.	Earns. Per Sh.	Total Revenue	Net Inc. Oper.	Earns. Per Sh.
	3 months			6 months			9 months		
	\$000's	\$—	\$—	\$000's	\$—	\$—	\$000's	\$—	\$—
1980 ..	4,121	170	0.06	8,603	360	0.14	15,911	864	0.33
1981 ..	8,676	395	0.12	18,000	778	0.23	32,394	1,253	0.36
1982 ..	14,644	d658	d0.19	24,498	d552	d0.16	40,615	807	0.23
1983 ..	9,566	d910	d0.26	17,467	d6,620	d1.90	27,159	d6,661	d1.17
1984 ..	6,088	d606	d0.05	12,747	d1,387	d0.10	25,417	d409	d0.03
1985 ..	5,791	d637	d0.05	13,465	d1,727	d0.13			

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
YEARS ENDED JUNE 30

	1984	1983	1982	1981	1980	1979	1978
	\$000's						
<b>Source of Funds:</b>							
Net income, operations .....	d1,004	d6,423	2,524	786	1,198	1,351	
Depreciation .....	4,142	4,862	4,941	3,596	1,944	674	
Minority interest .....				23	584	195	1,107
Deferred taxes .....	694	▲193	715	202	1,418	462	
Extraordinary item .....	▲2,355	▲2,752	▲3,305			26	
Issue stock .....	408	17,319		2,162	4,118	166	122
Issue debt .....	2,308	7,824	7,500	22,148	8,022	5,185	240
Decrease notes rec. ....	3,328	2,843					
Write-down f.a., etc. ....		4,554					
Fin. charges amor. ....		153	297				
Discontinued oper. ....		▲847	▲2,439				
Reclass. f.a. l.-t. debt ..			3,968				
Proceeds on sale f.a. ....	584	608	3,366				
Other .....	218	113	▲45	165	388	13	16
	8,323	28,061	17,522	29,082	17,672	8,072	1,485
<b>Use of Funds:</b>							
Acquis. subsidiary .....				5,466	6,729		
Purch. fixed assets .....	1,973	2,161	12,001	17,051	4,780	6,310	337
Def. & financing costs .....			558	1,039			
Repayment debt .....	4,300	1,954	6,615	4,146	5,627	1,684	186
Dividends .....				849	695	597	
Increase note rec. ....	2,813	6,027	187				
Conv. l.-t. debt to shs. ....		16,500					
Invest., seismic funds .....	49	185	499				
Foreign exch. adjust. ....	▲37	46	115				
Other .....					441	240	
	9,098	26,873	19,975	28,551	18,272	8,831	523
Increase working capital .....	■ 775	1,188	■ 2,453	531	■ 600	■ 759	962
▲Subtract.    ■ Decrease.							



## CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS, YEARS ENDED JUNE 30

	1984	1983	1982	1981	1980	1979	1978
	\$000's						
Revenue .....	32,554	31,251	50,974	46,626	22,614	12,175	5,973
Less: Operating exp. ....	23,408	22,437	33,288	32,345	14,446	7,153	3,633
Admin. exp. ....	3,861	4,102	4,570	4,820	1,533	1,389	907
Net before deprec., etc. ....	5,285	4,712	13,116	9,461	6,635	3,633	1,433
Less: Deprec. & amort. ....	4,142	4,862	4,941	3,596	1,944	674	180
L-term debt interest ....	1,120	1,703	3,188	2,390	1,044	250	59
Other interest ....	231	843	1,181	1,161	187	14	9
Income tax: Current ....	●344	●634	567	1,303	260	687	580
Deferred ....	694	●193	715	202	1,418	462	...
Minority interest ....	...	...	...	23	584	195	▲19
Loss on foreign exchange ..	446	...	...	...	...	...	...
Write-down f.a. ....	...	1,635	...	...	...	...	...
Write-down goodwill, etc. ....	...	2,919	...	...	...	...	...
Discontinued oper. ....	...	904	2,386	...	...	...	...
Net income, operations ....	d1,004	d7,327	138	786	1,198	1,351	624
Less: Extraordinary item ....	d1,673	4,264	6,359	...	...	▲381	▲322
Net income ....	d2,677	d11,591	d6,221	786	1,198	1,732	946
Add: Previous ret. earns. ....	d15,793	d4,202	2,117	1,917	1,414	279	d667
Adjustment □ ....	...	...	■ 98	263	...	...	...
Less: Dividends ....	...	...	...	849	695	597	...
Retained earnings ....	d18,470	d15,793	d4,202	2,117	1,917	1,414	279
■ Subtract.    ▲Add.    ●Credit.    □ See accounting changes on page. 2.							
<b>Times Interest Earned:</b>							
Before deprec. & amort. ....	3.91	1.85	3.00	2.66	5.39	13.76	21.07
After deprec. & amort. ....	0.85	...	1.87	1.65	3.81	11.21	18.43
<b>Earnings Per Share:</b>							
(A) Based on net income, operations:							
Common: Earned ....	d\$0.07	d\$0.96	\$0.04	\$0.23	\$0.45	\$0.53	\$0.28
(B) Based on net income:							
Common: Earned ....	d\$0.20	d\$1.51	\$d1.78	\$0.23	\$0.45	\$0.68	\$0.44
<b>Dividends Paid or Declared:</b>							
Common ....	...	...	...	\$0.25	\$0.25	\$0.225	...

## CONSOLIDATED BALANCE SHEET AS AT JUNE 30

	1984	1983	1982	1981	1980	1979	1978
	\$000's						
<b>Assets</b>							
Current:							
Cash & term deposits .....	66	81	746	2,057	....	1,245	1,397
Accounts receivable .....	5,374	3,826	11,048	12,371	8,636	2,878	1,047
Income taxes recov. ....	231	502	....	....	....	....	....
Notes receivable .....	2,724	1,641	....	....	....	....	....
Inventories* .....	1,656	1,710	6,616	3,182	1,077	301	237
Prepaid expenses .....	116	109	409	386	108	86	34
Surplus assets for sale .....	....	5,323	10,168	....	....	....	....
	10,167	13,192	28,987	17,996	9,821	4,510	2,715
Fixed assets:							
Land .....	....	....	....	250	250	....	....
Buildings .....	....	....	....	366	341	....	....
Computer equip., etc. ....	4,548	4,474	4,188	4,083	3,619	4,009	1,221
Equip. & vehicles .....	21,766	19,783	21,938	29,842	10,021	3,495	157
Leasehold improv. ....	515	538	1,216	1,178	400	303	191
Furniture & fixture .....	669	569	642	655	305	237	174
Other .....	94	102	434	427	600	....	....
Less: Accum. deprec. ....	16,733	12,714	9,675	7,290	3,327	1,883	1,210
	10,859	12,752	18,743	29,511	12,209	6,161	533
Notes rec. ....	2,856	3,371	187	....	....	....	....
Seismic funds .....	214	387	530	....	....	....	....
Goodwill .....	....	....	3,522	5,645	2,810	....	....
Other assets .....	....	....	940	1,544	641	243	8
	24,096	29,702	52,909	54,696	25,481	10,914	3,256
<b>Liabilities</b>							
Current:							
Bank indebtedness .....	1,193	3,430	11,727	5,975	1,147	....	....
Demand note pay. ....	....	994	1,725	....	....	....	....
Accounts payable .....	3,387	2,101	7,806	7,201	2,519	1,778	634
Deferred revenue .....	116	136	308	334	24	102	183
Current l.-t. debt .....	6,445	6,730	7,514	2,055	4,619	1,237	190
Income taxes .....	....	....	1,294	1,365	977	702	258
	11,141	13,391	30,374	16,930	9,286	3,819	1,265
Long-term debt:							
12% debentures .....	....	....	16,500	16,500	....	....	....
Other debt .....	12,422	14,612	9,624	11,440	11,960	5,403	855
Less: Amt. due 1 yr. ....	6,445	6,730	7,514	2,055	4,619	1,237	190
	5,977	7,882	18,610	25,885	7,341	4,166	665
Deferred income tax .....	715	653	839	2,373	1,541	107	....
Minority interest .....	....	....	....	....	167	297	93
<b>Shareholders' Equity</b>							
Preferred stock .....	400	....	....	....	....	....	....
Common stock .....	24,718	24,710	7,391	7,391	5,229	1,111	954
Trans. adjust. ....	▲385	▲1,141	▲103	....	....	....	....
Retained earnings .....	d18,470	d15,793	d4,202	2,117	1,917	1,414	279
	24,096	29,702	52,909	54,696	25,481	10,914	3,256

\*Geological, geophysical, and manufacturing work in progress is valued at the lower of cost or estimated net realizable value, and other inventories at the lower of cost or replacement cost.

▲Subtract.

**Commitments**—The company's rent, equipment operating leases and maintenance commitments for the next five years amount to \$1,804,000 in 1985; \$1,754,000 in 1986; \$976,000 in 1987; \$963,000 in 1988; and \$219,000 in 1989.

**Working Capital (\$000's):**

Current assets	10,167	13,192	28,987	17,996	9,821	4,510	2,715
Current liabilities	11,141	13,391	30,374	16,930	9,286	3,819	1,265
Working capital	d974	d199	d1,387	1,066	535	691	1,450
Ratio	0.91—1	0.98—1	0.95—1	1.06—1	1.06—1	1.18—1	2.15—1

**Equities:**

Net worth (\$000's)*	6,263	7,776	3,086	9,508	7,146	2,525	1,233
Debentures per \$1,000			\$1,187	\$1,576			
Preferred	\$313.15						
Common	0.44	\$0.58	0.88	2.73	\$2.17	\$0.95	\$0.58

\*Available for capital stock; based on shareholders' equity. Debentures taken in at par for calculation of their equity.

**Shares Outstanding:**

Common	13,417,616	13,387,616	3,487,616	3,487,616	3,293,970	2,652,028	2,136,764
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## HISTORICAL SUMMARY

(As originally stated in company's annual reports for the respective years)

(As originally stated in company's annual reports for the respective years)									
Fiscal Year	Total Assets	Net Fixed Assets	Shldrs.' Equity	L.-Term Debt	Total Revenue	Net Inc. Oper.	Earns. Per. Sh.	Price Range	
								High	Low

(This information is obtained from sources we believe to be reliable, but is not guaranteed)





Please remove the Information Service cards on this company from your card service drawer and either discard these cards or file elsewhere for future reference.

## DIGITECH LTD.

NEWSCARD

MARCH 3, 1988 (6-IC)

(To be filed with this company's basic card dated March 27, 1985, and to replace previous newscard; for exact corporate name, see top of basic card.)

### FINANCIAL STATEMENTS (As originally reported)

	Unaud. 9 mos. Mar. 31 1985	Unaud. 6 mos. Dec. 31 1984	Unaud. 3 mos. Sept. 30 1984	AUD. 12 MOS. JUNE 30 1984	Unaud. 9 mos. Mar. 31 1984	Unaud. 6 mos. Dec. 31 1983	Unaud. 3 mos. Sept. 30 1983	AUD. 12 MOS. JUNE 30 1983
	\$000's							
Total revenue . . . . .	26,458	13,465	5,791	32,554	25,417	12,747	6,088	31,251
Less: Costs, etc. . . . .	24,046	13,074	5,399	27,269	21,189	11,555	5,298	26,539
Operating income . . . . .	2,412	391	392	5,285	4,228	1,192	790	4,712
Less: Deprec., etc. . . . .	2,636	1,805	938	4,142	3,139	2,141	1,077	4,862
Interest charges . . . . .	1,142	840	429	1,351	923	586	294	2,546
Income taxes . . . . .	*301	*404	*215	350	575	*148	25	*827
Loss, disc. ops. . . . .	.....	.....	.....	.....	.....	.....	.....	904
Other Inc./exp. . . . .	*123	*123	*123	446	.....	.....	.....	4,554
Net income, operations. . . . .	d942	d1,727	d637	d1,004	d409	d1,387	d606	d7,327
Add: Extraord. Items. . . . .	.....	.....	.....	d1,673	d602	.....	.....	d4,264
Net income . . . . .	d942	d1,727	d637	d2,677	d1,011	d1,387	d606	d11,591
*Credit.								
WORKING CAPITAL . . . . .	d1,240	d1,789	d1,647	d974	345	1,206	d131	d199
DATA PER COMMON SHARE (\$):								
Earned* . . . . .	d0.07	d0.13	d0.05	d0.07	d0.03	d0.10	d0.05	d0.96
Earned** . . . . .	d0.07	d0.13	d0.05	d0.20	d0.07	d0.10	d0.05	d1.51
Price Range: High . . . . .	0.55	0.55	0.55	0.62	0.62	0.62	0.62	3.00
Low . . . . .	0.32	0.33	0.35	0.32	0.32	0.32	0.40	0.50
Ave. P/E Ratio . . . . .				.....	2.6	.....	.....	.....

\*Based on net income, operations. \*\*Based on net income.  
No dividends paid since April 30, 1981.

#### APR. 1, 1985 - SIX MONTHS' REPORT:

For earnings details for the six months ended Dec. 31, 1984, see page one of basic card and table at top of this page.

#### JULY 8, 1985 - NINE MONTHS' REPORT:

For the nine months ended Mar. 31, 1985, net loss was \$942,000, or seven cents per share, compared with a loss of \$1,011,000, also seven cents per share, for the corresponding year-earlier period. Included in results for the 1984 period was an extraordinary loss of \$602,000, or four cents per share; there were no extraordinary items in the 1985

period. Total revenue increased 4%. (For details, see table at top of page.)

For the three months ended Mar. 31, 1985, net income more than doubled, to \$785,000, or six cents per share, from \$376,000, or three cents per share, for the like period of 1984. Total revenue was up marginally to \$12,993,000 from \$12,670,000.

#### DIVISION TO BE SOLD:

The company has reached an agreement with Computalog Gearhart Ltd. for the sale to that company of its Drill Rite Industries division. The agreement is subject to regulatory and other approvals.

**The Financial Post**  
**INFORMATION SERVICE**

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#### AUSTRALIAN OPERATIONS TO CLOSE:

The company has reportedly announced that its Australian operations, conducted by Digiseis Exploration Pty. Ltd., will be shut down to curtail operating losses due to low prices.

#### AUG. 1, 1985 - PROPOSED ACQUISITION:

It is reported that the company has signed a letter of intent to acquire 100% of the shares of Line Resource Information Inc. for \$3 million to be paid by the issue of 10 million Digitech common shares, or 39% of Digitech's outstanding shares.

Pending closing, the company has reportedly entered into a management contract with Line Resource whereby Ken MacDonald, currently president of Line Resource, will assume the position of president and chief executive of Digitech Ltd. Don Burt, the current president and chief executive of Digitech, will become an industry consultant for Digitech.

Completion of the acquisition is conditional upon approval by the boards and primary bankers of both companies, approval of the board of L. K. Resources Ltd., a principal shareholder of Line Resource, and regulatory approval.

#### NOV. 7, 1985 - SALE CANCELLED:

L.K. Resources Ltd. has terminated discussions concerning the acquisition by Digitech Ltd. of all of the shares of Line Resource Information Inc. in light of a recent announcement by Digitech that its bankers have appointed a receiver.

#### NOV. 15, 1985 - RECEIVER FOR SUBSIDS.:

It is reported that the company's banker has obtained the appointment of a receiver for Digitech's two principal operating subsidiaries, Digitech Services Ltd. and Digiseis Exploration Ltd.

The total amount reportedly owing to the bank is \$2.7 million and Digitech is attempting to obtain additional capital to reorganize. Further details were not disclosed.

\* \* \* \* \* NEW \* \* \* \* \*

#### MAR. 3, 1988 - COVERAGE DISCONTINUED:

As the company is no longer publically traded, Information Service does not contemplate issuing further cards on Digitech Ltd.