
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):
July 24, 2006

TGC INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Texas
(State of incorporation)

001-32472
(Commission File No.)

74-2095844
(IRS Employer Identification No.)

1304 Summit Ave., Ste 2
Plano, TX 75074
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (972) 881-1099

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

Attached hereto as Exhibit 99.1 is a copy of the press release (the "Press Release") issued by TGC Industries, Inc. ("TGC" or the "Company") on July 24, 2006, announcing its financial results for the second quarter of 2006. The Press Release is incorporated by reference into this Item 2.02, and the foregoing description of the Press Release is qualified in its entirety by reference to this exhibit.

The Press Release contains "non-GAAP financial measures" as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In the Press Release, TGC has provided reconciliations of the non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles ("GAAP") in the United States. Management of TGC believes that investors' understanding of the Company's performance is enhanced by disclosing these non-GAAP financial measures as a reasonable basis for comparison of the Company's ongoing results of operations. These non-GAAP measures should not be considered a substitute for GAAP-basis measures and results. Our non-GAAP measures may not be comparable to non-GAAP measures of other companies.

Pursuant to General Instruction B.2 of Form 8-K, the information in this Form 8-K, including the exhibit, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, and is not incorporated by reference into any filing of TGC, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Pursuant to General Instruction B.2 of Form 8-K, the following exhibit is furnished with this Form 8-K.

99.1 Press Release dated July 24, 2006.

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 hereunto duly authorized.

TGC INDUSTRIES, INC.

Date: July 25, 2006

By: /s/ Wayne A. Whitener
Wayne A. Whitener
President and CEO

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated July 24, 2006.



NEWS RELEASE

CONTACTS: Wayne Whitener
Chief Executive Officer
TGC Industries
(972) 881-1099

Jack Lascar, Partner
Karen Roan, SVP
DRG&E (713) 529-6600

FOR IMMEDIATE RELEASE

TGC Industries Reports Second Quarter 2006 Results

- *Revenue more than doubled to \$14.9 million*
- *Income before income taxes increased 56%*
- *EBITDA more than doubled to \$5.8 million*

PLANO, TEXAS — JULY 24, 2006 — TGC Industries, Inc. (AMEX: TGE) today announced second quarter 2006 net income of \$2.1 million, or \$0.13 per diluted share, on record quarterly revenues of \$14.9 million compared to net income (before dividend requirements on preferred stock) of \$1.8 million, or \$0.14 per diluted share, on revenues of \$7.2 million for the second quarter of 2005.

Wayne Whitener, TGC Industries' President and Chief Executive Officer, said, "We continued to generate solid performance during the second quarter. However, our results were negatively impacted by the persistent rainfall that occurred in south Texas and Kansas during the months of May and June, which affected certain crews operating in those regions. The seismic industry remains very active, and we continue to experience strong demand for our services. Our backlog of business at the end of the second quarter was approximately \$65 million."

SECOND QUARTER 2006

Second quarter revenues more than doubled to \$14.9 million from last year's second quarter revenues of \$7.2 million. The revenue increase was due primarily to the operation of seven field crews during the second quarter of 2006 compared to three field crews during the second quarter of 2005, as well as the productivity improvement derived from the use of five ARAM

ARIES seismic recording systems in the quarter versus one ARAM ARIES system in the second quarter a year ago.

Income from operations during the second quarter of 2006, which includes start-up costs of the seventh field acquisition crew, increased 62.1 percent to \$3.6 million compared to \$2.2 million during the same period last year. However, cost of services rose to 56.3 percent of revenues in the 2006 second quarter from 53.5 percent of revenues in the second quarter of 2005 due to the impact of weather in south Texas and Kansas, which resulted in some loss of revenue as the productivity of crews operating in these regions was affected negatively during part of the quarter. Income before income taxes in the second quarter increased 55.8 percent to \$3.4 million compared to \$2.2 million in the year ago quarter. Interest expense in the second quarter rose by \$166,000 due to the financing of a new ARAM ARIES system and other seismic equipment.

Net income for the second quarter was \$2.1 million, or \$0.13 per diluted share, compared to net income (before dividend requirements on preferred stock) of \$1.8 million, or \$0.14 per diluted share, for the same period of 2005. Earnings per share during the 2006 second quarter were impacted by an increase in the effective tax rate to 39.7 percent compared to an effective tax rate of 18.1 percent in second quarter of 2005. Last year's effective tax rate benefited from the utilization of NOLs, which were depleted during 2005. On a pro forma basis, assuming a 39.7% tax rate in the comparative period a year ago, second quarter earnings per share would have been \$0.13 for 2006 and \$0.10 for 2005.

EBITDA (earnings before net interest expense, taxes, depreciation and amortization) for the second quarter more than doubled to \$5.8 million, a 39.0 percent margin, from \$2.8 million, a 38.3 percent margin, in the second quarter of 2005. A reconciliation of EBITDA (a non-GAAP financial measure) to reported earnings can be found in the financial tables.

YEAR-TO-DATE 2006

Revenues for the first half of 2006 increased 129.3 percent to \$29.7 million from \$12.9 million during the same period last year. Income from operations rose 124.2 percent to \$8.3 million from \$3.7 million a year ago. EBITDA increased 158.1 percent to \$12.2 million during the first half of 2006 compared to \$4.7 million for same period last year. Cost of services declined to 54.4 percent of revenues for the first half of 2006 from 56.4 percent of revenues in the first half of 2005.

Net income for the first six months of 2006 increased 68.5 percent to \$4.8 million from net income of \$2.9 million for the same period of 2005. Diluted earnings per share for the first half of 2006 were \$0.31 compared to \$0.22 in the same period a year ago.

CONFERENCE CALL

TGC Industries has scheduled a conference call for Monday, July 24, 2006, at 10:30 a.m. eastern time/9:30 central. To participate in the conference call, dial 303-262-2131 at least 10 minutes before the call begins and ask for the TGC Industries conference call. A replay of the call will be available approximately two hours after the live broadcast ends and will be accessible until July 31, 2006. To access the replay, dial 303-590-3000 using a passcode of 11066246.

Investors, analysts and the general public will also have the opportunity to listen to the conference call over the Internet by visiting <http://www.tgcseismic.com>. To listen to the live call on the web, please visit the website at least fifteen minutes before the call begins to register, download and install any necessary audio software. For those who cannot listen to the live webcast, an archive will be available shortly after the call and will remain available for approximately 90 days at <http://www.tgcseismic.com>.

TGC Industries, Inc., based in Plano, Texas, with a branch office in Houston, is one of the leading providers of seismic data acquisition services throughout the continental United States.

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements are based on our current expectations and projections about future events. All statements other than statements of historical fact included in this press release regarding the Company are forward looking statements. There can be no assurance that those expectations and projections will prove to be correct.

- Tables to follow -

	TGC INDUSTRIES, INC.			
	Statements of Income			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	Unaudited		Unaudited	
Revenue	\$ 14,894,774	\$ 7,193,981	\$ 29,688,481	\$ 12,947,724
Cost and expenses				
Cost of services	8,380,445	3,851,867	16,140,591	7,298,355
Selling, general, administrative	708,901	585,231	1,355,203	924,625
Depreciation and amortization expense	2,183,091	521,801	3,902,970	1,026,733
	<u>11,272,437</u>	<u>4,958,899</u>	<u>21,398,764</u>	<u>9,249,713</u>
INCOME FROM OPERATIONS	3,622,337	2,235,082	8,289,717	3,698,011
Interest expense	<u>212,529</u>	<u>46,406</u>	<u>408,687</u>	<u>79,362</u>
INCOME BEFORE INCOME TAXES	3,409,808	2,188,676	7,881,030	3,618,649
Income tax expense current	<u>(1,352,879)</u>	<u>(396,448)</u>	<u>(3,051,944)</u>	<u>(753,252)</u>
NET INCOME	2,056,929	1,792,228	4,829,086	2,865,397
Less dividend requirements on preferred stock	<u>—</u>	<u>(64,798)</u>	<u>—</u>	<u>(134,177)</u>
INCOME ALLOCABLE TO COMMON SHAREHOLDERS	<u>\$ 2,056,929</u>	<u>\$ 1,727,430</u>	<u>\$ 4,829,086</u>	<u>\$ 2,731,220</u>
Earnings per common share:				
Basic	\$.13	\$.26	\$.31	\$.42
Diluted	\$.13	\$.14	\$.31	\$.22
Weighted average number of common shares outstanding:				
Basic	15,630,729	6,587,760	15,613,727	6,494,464
Diluted	15,749,472	13,074,983	15,735,948	12,960,583

The statements of income reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the interim periods. The results of the interim periods are not necessarily indicative of results to be expected for the entire year.

TGC INDUSTRIES, INC.
**Reconciliation of Pro Forma Earnings and Earnings Per Share
To Earnings and Earnings Per Share**

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>
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	2006		2005	
	Unaudited		Unaudited	
INCOME BEFORE INCOME TAXES	\$ 3,409,808	\$ 2,188,676	\$ 7,881,030	\$ 3,618,649
Income tax expense current	(1,352,879)	(396,448)	(3,051,944)	(753,252)
Pro forma income tax expense (A)	—	(472,456)	—	(647,165)
PRO FORMA NET INCOME	2,056,929	1,319,772	4,829,086	2,218,232
Less dividend requirements on preferred stock	—	(64,798)	—	(134,177)
PRO FORMA INCOME ALLOCABLE TO COMMON SHAREHOLDERS	\$ 2,056,929	\$ 1,254,974	\$ 4,829,086	\$ 2,084,055
Earnings per common share:				
Basic (Reported)	\$.13	\$.26	\$.31	\$.42
Basic (Pro forma)	\$.13	\$.19	\$.31	\$.32
Diluted (Reported)	\$.13	\$.14	\$.31	\$.22
Diluted (Pro forma)	\$.13	\$.10	\$.31	\$.17
Weighted average number of common shares outstanding				
Basic	15,630,729	6,587,760	15,613,727	6,494,464
Diluted	15,749,472	13,074,983	15,735,948	12,960,583

(A) Adjustment required to achieve a 39.7% tax rate (35.7% federal and 4% state) during the three months ended June 30, 2005 and a 38.7% tax rate (34.7% federal and 4% state) during the six months ended June 30, 2005.

The Company utilized its net operating loss carry-forwards during 2005. During the three months ended June 30, 2006 the Company applied a 39.7 percent (35.7 percent federal and rate and 4 percent state rate) to its income. During the six months ended June 30, 2006 the Company applied a 38.7 percent (34.7 percent federal and 4 percent state rate) to its income. Therefore, the Company has made pro forma adjustments to the earnings per share information for the three months ended June 30, 2005 and the six months ended June 30, 2005 to reflect the effective tax rates in order to provide investors with net income results that reflect the tax rates.

TGC INDUSTRIES, INC. Condensed Balance Sheets

	June 30, 2006 (Unaudited)	December 31, 2005 (Note)
Cash and cash equivalents	\$ 10,570,058	\$ 9,499,409
Receivables (net)	4,680,740	4,459,844
Pre-Paid expenses and other	2,090,331	4,434,043
Current assets	17,341,129	18,393,296
Other assets (net)	313,269	56,003
Property and equipment (net)	30,693,082	22,796,640
Total assets	\$ 48,347,480	\$ 41,245,939
Current liabilities	\$ 12,050,274	\$ 8,441,147
Long-term obligations	4,744,458	6,199,364
Shareholders' equity	31,552,748	26,605,428
Total liabilities & equity	\$ 48,347,480	\$ 41,245,939

The balance sheet at December 31, 2005 has been derived from the audited financial statements at that date.

TGC INDUSTRIES, INC. Reconciliation of EBITDA to Net Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Net income	\$ 2,056,929	\$ 1,792,228	\$ 4,829,086	\$ 2,865,397
Depreciation	2,183,091	521,801	3,902,970	1,026,733
Interest	212,529	46,406	408,687	79,362
Income tax expense	1,352,879	396,448	3,051,944	753,252

EBITDA	\$ 5,805,428	\$ 2,756,883	\$ 12,192,687	\$ 4,724,744
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