Escher Group Holdings plc

INTERIM RESULTS ANNOUNCEMENT

Half Year ended 30 June 2011

Highlights

- Revenue increased 8% to US$6.5m (H1 2010: US$6.0m)
- EBITDA* of US$1.6m (H1 2010: US$1.1m)
- Operating profit of US$1.4m (H1 2010: US$1.0m) after charging proof of concept costs of US$0.8m (2010: US$nil)
- Diluted EPS US$3.0 cents (H1 2010: -US$0.7 cents)
- Initial public offering on AIM raising US$25m before expenses. The proceeds were used for debt reduction and providing development capital
- New product in Messaged Based Communications (Riposte TrEx) progressed to proof of concept
- South African subsidiary established

Liam Church, Chief Executive, said:

'We are delighted to report our inaugural interim results as a listed Group, with strong operational performance noted for the half year, strong backlogged contracted for revenues and good sales pipeline.

The flotation provides us with a strengthened balance sheet and additional working capital to help accelerate our growth rate. We see a number of opportunities to expand our business through leveraging our leading market position, entering new markets and rolling out Riposte TrEx, our revolutionary new digital Post Office box product.

A healthy sales pipeline and robust market conditions for our products in our customer base, coupled with our performance to date, gives us confidence that the full year outcome should be in line with the Board's expectations.'

* *Measured as operating profit excluding depreciation and amortisation.*

The 2011 Interim Results Announcement is available on the Group's website.

Enquiries:

Escher www.eschergroupholdings.com +353 (0) 1 479 0555

Liam Church,	Chief Executive Officer
Fionnuala Higgins,	EVP Sales & Marketing
Trevor McIntyre,	Finance Director

Panmure Gordon +44 (0) 20 7459 3600

Andrew Godber / Callum Stewart,	Corporate Finance
Hannah Woodley,	Corporate Broking

Powerscourt +44 (0)20 7250 1446

Paul Durman / Nick Dibden / Victoria Ward

Notes to Editors:

Escher is a world leading provider of outsourced, point of sale software to the postal industry. Escher's core software, Riposte, provides a solution for postal authorities who are seeking to counteract a decrease in traditional mail revenue by expanding revenue opportunities through new services, thereby reducing cost and increasing efficiency.

Postal authorities' software requirements have become more complex, leading to a growing trend towards outsourcing. Riposte is already in use in 30 countries and territories worldwide. It is licensed for over 150,000 workstations.

Substantially all of Escher's existing customers are national postal authorities including An Post in Ireland, Austria Post, Deutsche Post, Norway's Posten and SAPO in South Africa. The Group services these customers from their offices in Ireland, South Africa, Singapore, the United Kingdom and the United States.

Long licence and maintenance contracts and repeat business from quasi governmental customers give Escher good visibility of high quality earnings.

The Group is targeting continued growth through incremental sales to existing customers, new sales within the postal industry, penetration of new vertical markets and through the launch of its revolutionary new product, RiposteTrEx.

CHIEF EXECUTIVE'S REVIEW

The first half of 2011 has been a landmark period for the Group with a number of significant developments, culminating in our fund raising and admission to AIM on 8 August 2011.

Retail Software

The Group continues to generate revenue from professional services in the form of requests for additional functionality from its existing customer base; including the national post offices of New Caledonia, Norway, South Africa and the USA.

In April 2011, Botswana Post went live with the Riposte/Riposte Essential counter automation.

Renewal of maintenance contracts by the Group's existing customers are in line with Directors' expectations along with continued opportunity to up sell to these customers.

The Group has secured two contracts that provide for the development of implementation plans for the Riposte suite of products; one with a customer in Europe and one in the American regions. These will focus on project planning, resource management and utilisation.

Escher has seen a material increase in the scope and number of postal authorities running tender processes for the software and services that the Group can provide reflecting the urgency shown by postal authorities to move into the financial services arena.

One-off proof of concept costs totalling US$0.8m were expensed in the period relating to the increased tender activity.

Escher opened a new office in South Africa for the purposes of servicing its existing customers and opening the potential for new customers in that region.

Message Based Communications

The Group continues to develop its Riposte TrEx product and intends to target its existing customer base as early adopters. Escher believes that it can leverage its existing relationships and reputation to roll out its product and that this momentum will generate increased interest in the product within the postal world and with governments.

Escher delivered a proof of concept to a European postal operator in H1 2011. This has been successfully trialled by the customer and Escher now understands that the Riposte TrEx product will proceed to a limited scale pilot application in the second half of the year.

Since the last financial year end, Escher has recruited nine new staff in Sales & Marketing, Retail Software and Message Based Communications.

Board appointments

On 8 August 2011 Paul Taylor joined the Board.

Staff

I would like to take this opportunity to thank the Board and all of Escher's employees for their advice and professionalism during this period of change and development.

Outlook

With a healthy sales pipeline and robust market conditions for our products in our customer base, coupled with our performance to date, we expect full year adjusted earnings to be in line with Board expectations.

FINANCIAL REVIEW

Escher Group Holdings plc ('Escher' or the 'Group') announces an increase of US$3.7 cents per share in adjusted* fully diluted earnings per share for the half year ending 30 June 2011 to US$3.0 cents per share (H1 2010: US$ -0.7 cents per share).

The Group's business is seasonal and is weighted towards the second half of the year therefore, the results for the six months ended 30 June 2011 cannot be proportionately compared with the results for the year ending 31 December 2010.

Revenue

Revenue was eight percent higher at US$6.5 million compared to US$6.0m for the same period in the prior year. The majority of the increase is due to additional software development and consulting services, offset by a slight decline in support services associated with a currency fluctuation.

The main drivers behind the software development and consulting services revenue increase was the provisioning of services to a new customer in Botswana, and the sale and implementation of a Post Bank product to a customer in South Africa. Revenues from other existing customers remained consistent with previous periods.

In Europe, Escher contracted with a subsidiary company of a European Postal Authority and has been paid to produce a gap analysis and action plan as to how the customer might implement the suite of Riposte Retail Software across its counters estate.

Operating profit

Operating profit increased by thirty two percent to US$1.4m for the six month period ended 30 June 2011 (H1 2010: US$1.0m). This is after charging proof of concept costs of US$0.8m (2010: US$nil). Operating costs for the first half of 2011 are exclusive of all IPO related costs.
The Group has seen an unusually high level of tender activity against historical run-rates in the period. This is arising in both the developed and developing nations. In the developed nations, post volumes have decreased by up to twenty percent. Consequently, there is a desire to bring new relevancy and business opportunities to the traditional post office networks and infrastructure, whilst at the same time reducing costs, increasing efficiency and thus improving profitability. In the developing nations where technology is advancing, the postal services are progressing towards automation.

The Group noted that requirements on larger customer tenders have been by invitation and suppliers are required to provide a proof of concept of their solution. Management believe that this is a positive for Escher as the Group can leverage off existing solutions and installations to deliver robust proofs of concepts. This has lead to an increase in the cost of acquisition of customers for the Group as well as a knock-on effect on the working capital profile associated with contracts. The Group estimates that it has incurred US$0.8m (H1 2010: US$nil) in costs associated with these proofs of concepts. The majority of these costs relate to an opportunity for the supply of solutions from the Retail Software product set.

*EPS is adjusted in accordance with IFRS as a result of the redesignation of shares and the bonus issue (see note 6).

Operating profit excludes US$0.7m (H1 2010: US$0.3m) of research and development costs capitalised for Riposte TrEx. Riposte TrEx is designed to provide a national infrastructure based on the communication of message based content between government, business, and citizens.

The costs capitalised on this new product are being amortised over a five year period. The amortisation charge for the period was US$0.1m (H1 2010: US$nil).

Net finance expense

Net finance expenses for the six month period ended 30 June 2011 were US$1.0m, a reduction of eleven percent from US$1.1m for the same period in the prior year. This decrease was due to reduced average debt, the benefit of an extra year's cash flow, lower interest rates and the fair value reversal of a legacy floating to fixed interest rate swap.

Profit for the period

The Group's profit for the period increased by US$0.3m to US$0.2m for the six months ended 30 June 2011 from a loss of US$0.1m in 2010. The increase was due to the items mentioned above.

Cash flow, net debt and working capital

Cash flows from operating activities for the six month period ended 30 June 2011 were US$1.7m (H1 2010: US$2.1m).

The Group's net debt was US$27.6m at 30 June 2011 (H1 2010: US$27.7m), a decrease of US$0.1m. This reduction is primarily due to capital reductions on the Anglo Irish Bank facility, offset by the non-cash interest rolled up on the PIK note issued by Bacchantes Limited.

The Group raised US$25.0 million in new equity from institutional investors on admission of the Group to the Alternative Investment Market of the London Stock Exchange on the 8th of August 2011. US$10.9m was subsequently paid to Anglo Irish Bank and US$5.6m was paid to Bacchantes Limited reducing the PIK liability. The remainder of the proceeds provides sufficient working capital to enable the Group to execute its business plan.

Investment in working capital is a key area of focus for the Group. The half year represents a high point in the working capital cycle for the Group reflecting the seasonality of the business.

Dividend

As outlined in the Admission Document, the Board does not propose paying a half year dividend for this period.

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 US$'000s (Unaudited)	Six months ended 30 June 2010 US$'000s (Unaudited)	Year ended 31 December 2010 US$'000s (Audited)
Revenue	5	6,460	6,003	13,959
Cost of sales		(1,918)	(2,059)	(3,689)
Gross profit		**4,542**	**3,944**	**10,270**
Operating expenses		(3,164)	(2,900)	(6,176)
Operating profit		**1,378**	**1,044**	**4,094**
Finance income		1	7	7
Finance expense		(972)	(1,093)	(1,865)
Net finance expense		(971)	(1,086)	(1,858)
Profit/(loss) before income tax		**407**	**(42)**	**2,236**
Income tax expense		(165)	(15)	(769)
Profit/(loss) for the period		**242**	**(57)**	**1,467**
Earning per share (in US$ cent per share)	6			
- Basic		3.2	(0.8)	19.5
- Diluted		3.0	(0.7)	18.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Six months ended June 2011 US$'000s (Unaudited)	Six months ended June 2010 US$'000s (Unaudited)	Year ended 31 December 2010 US$'000s (Audited)
Profit/(loss) for the period	**242**	**(57)**	**1,467**
Other comprehensive income:			
Currency translation differences	74	346	301
Total comprehensive income for the period	**316**	**289**	**1,768**

Escher Group Holdings plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Notes	30 June 2011 US$'000s (Unaudited)	30 June 2010 US$'000s (Unaudited)	31 December 2010 US$'000s (Audited)
Assets				
Non-current assets				
Property, plant and equipment	7	271	277	282
Intangible assets	8	32,822	31,515	32,247
Deferred income tax assets		237	290	296
		33,330	32,082	32,825
Current assets				
Cash and cash equivalents	9	379	628	779
Current income tax receivable		-	95	-
Trade and other receivables		4,756	4,020	5,480
		5,135	4,743	6,259
Total assets		**38,465**	**36,825**	**39,084**
Equity and liabilities				
Equity attributable to equity holders of the parent				
Issued capital		13	13	13
Other reserves		418	389	344
Retained earnings		3,882	2,116	3,640
Total equity		**4,313**	**2,518**	**3,997**
Non-current liabilities				
Borrowings	9	8,793	7,588	8,177
Deferred income tax liabilities		-	-	124
Deferred income		-	69	-
Provision for other liabilities and charges		24	21	24
		8,817	7,678	8,325
Current liabilities				
Borrowings	9	19,174	20,702	19,936
Trade and other payables		5,230	5,702	5,927
Current income tax payable		803	-	721
Derivative financial instruments		128	225	178
		25,335	26,629	26,762
Total liabilities		**34,152**	**34,307**	**35,087**
Total equity and liabilities		**38,465**	**36,825**	**39,084**

Escher Group Holdings plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Equity share capital	Cumulative foreign translation reserve	Other reserves	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at 1 January 2011	**13**	**(81)**	**425**	**3,640**	**3,997**
Profit for the financial period	-	-	-	242	242
Other comprehensive income	-	74	-	-	74
Balance at 30 June 2011	**13**	**(7)**	**425**	**3,882**	**4,313**

	Equity share capital	Cumulative foreign translation reserve	Other reserves	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at 1 January 2010	**13**	**(382)**	**158**	**2,173**	**1,962**
Loss for the financial period	-	-	-	(57)	(57)
Share-based payment	-	-	267	-	267
Other comprehensive income	-	346	-	-	346
Balance at 30 June 2010	**13**	**(36)**	**425**	**2,116**	**2,518**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 US$'000s (Unaudited)	Six months ended 30 June 2010 US$'000s (Unaudited)	Year ended 31 December 2010 US$'000s (Audited)
Cash flows from operating activities				
Cash generated from operations	10	1,713	2,086	4,252
Interest received		1	7	7
Interest paid		(168)	(654)	(700)
Income tax paid		(147)	(255)	(198)
Net cash generated from operating activities		1,399	1,184	3,361
Cash flows from investing activities				
Additions to intangible assets	8	(706)	(254)	(1,021)
Additions to property, plant and equipment	7	(61)	-	(211)
Net cash used in investing activities		(767)	(254)	(1,232)
Cash flows from financing activities				
Repayment of borrowings	9	(1,000)	(880)	(1,876)
Net cash used in financing activities		(1,000)	(880)	(1,876)
Net (decrease)/increase in cash and cash equivalents		(368)	50	253
Cash and cash equivalents at beginning of the period	9	779	583	583
Foreign exchange adjustments		(32)	(5)	(57)
Cash and cash equivalents at end of the period	9	**379**	**628**	**779**

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

1 General information

Escher Group Holdings plc and its wholly-owned subsidiaries (collectively the “Group”) is a leading provider of distributed messaging and data management solutions and services. The Group develops, markets, sells and supports enterprise wide software applications for post office counter automation and distributed network communication. The Group’s principal customers are international postal services. The Group services these customers from their offices in Ireland, South Africa, Singapore, the United Kingdom and the United States.

The company was incorporated on 7 June 2007 as NG Postal Limited, a private company limited by shares. On 14 September 2007 the company acquired the main operating subsidiaries giving rise to the goodwill asset. The company was renamed Escher Group Holdings Limited on 2 September 2008. It is incorporated and domiciled in the Republic of Ireland and its registered office is DMG Business Centre, 12 Camden Row, Dublin 8, Ireland.

The company re-registered as a public limited company on 14 July 2011 and changed its name to Escher Group Holdings plc on 14 July 2011. The Group listed on AIM in the United Kingdom, the first day of trading its shares was 8 August 2011.

This consolidated interim financial information was approved for issue by a subcommittee of the Board of directors on 28 September 2011.

2 Basis of preparation

The Group’s condensed interim financial information has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34), as adopted by the E.U.. The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements in respect of the year ended 31 December 2010. The financial statements for the year ended 31 December 2010 were filed with the Registrar of Companies and are available on the Group’s website www.eschergroupholdings.com. Those financial statements contained an unqualified audit report.

The Group’s condensed interim financial information for the six months ended 30 June 2011 and the comparative figures for the six months ended 30 June 2010 are unaudited. The financial information for the year ended 31 December 2010 represents an abbreviated version of the Group’s financial statements for that year.

The Group’s condensed financial information is presented in US Dollars (US$), rounded to the nearest thousand, which is the functional currency of the Group.

A comprehensive review of the Group’s performance for the six months ended 30 June 2011 is included on pages 3 to 6 of this document. The Group’s business is seasonal and is weighted towards the second half of the financial year.

3 Going concern basis

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, support the conclusion that there is a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future, a period of not less than twelve months from the date of this report. The Group therefore continues to adopt the going concern basis in preparing its consolidated interim financial statements.

4 Accounting policies

The Group's condensed interim financial information has been prepared on the basis of the accounting policies, significant judgments, key assumptions and estimates as set out in the Group's annual report for the year ended 31 December 2010.

The following new accounting standards became effective for the first time in 2011 but had no material impact on the results or the financial position of the Group in the six month period ended 30 June 2011:

- Improvements to IFRS's (2010);
- IAS 24 Revised – Related Party Disclosures;
- Amendment to IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues;
- Amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement; and
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2010.

5 Segment information

In line with the requirements of IFRS 8, “Operating Segments”, the Group has identified its Chief Operating Decision Maker (CODM). The Group has identified the Chief Executive Officer (CEO) of the Company as its CODM. The CEO reviews the Group’s internal reporting in order to assess the performance of the Group and allocates resources. The operating segments have been identified based on these reports.

The CEO assesses the performance of the Group based primarily on measures of revenues and earnings before interest, tax, depreciation & amortisation (“EBITDA”). The CEO reviews working capital and overall statement of financial position performance on a Group wide basis.

The CEO considers the business from a product perspective and consequently determined there to be only one segment. These product revenues derive from the Group’s owned software products and from the following main sources:

Analysis of revenue by category	6 Months ended 30 June 2011 US$000's (Unaudited)	6 Months ended 30 June 2010 US$000's (Unaudited)	12 Months ended 31 December 2010 US$000's (Audited)
Perpetual licenses	77	70	1,741
Time based licenses	409	483	946
Maintenance	2,740	2,711	5,449
Support	1,271	1,486	2,606
Software development and consulting service	1,963	1,253	3,217
	6,460	6,003	13,959

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

The entity is domiciled in the Republic of Ireland. The Group's external revenues are derived from the following main geographic locations:

	6 Months ended 30 June 2011 US$000's (Unaudited)	6 Months ended 30 June 2010 US$000's (Unaudited)	12 Months ended 31 December 2010 US$000's (Audited)
UK and Ireland	165	165	2,126
Other Europe	2,985	2,840	4,804
North & Latin America	660	640	4,081
Asia-Pacific region	569	662	1,569
Africa & Middle East	2,081	1,696	1,379
	6,460	6,003	13,959

Fluctuations in revenues with individual customers are typically due to a combination of up-front perpetual licence billings as well as the level and timing of development and other software customisation requirements with that customer (the latter being both from initial customisation work following a new licence win and periodic projects driven by a customer's internal requirements and software upgrades).

During the period the Group derived revenues from the following external customers (reporting segment region in parenthesis) which individually represented 10% or more of total reported revenues for that period:

	6 Months ended 30 June 2011 % (Unaudited)	6 Months ended 30 June 2010 % (Unaudited)	12 Months ended 31 December 2010 % (Audited)
Customer A (Other Europe)	20%	17%	15%
Customer B (Africa & Middle East)	19%	16%	10%
% of total reported revenues	**39%**	**33%**	**25%**

The total of non-current assets other than deferred income tax assets located in the Republic of Ireland at 30 June 2011 is US$32.9m (June 2010: US$31.6m), and the total of non-current assets located in other countries is US$0.2m (June 2010: US$0.2m).

6 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations.

A 3 for 1 bonus issue of shares was made on 15 July 2011 through a capitalisation of reserves. This brought the issued share capital to €40,000, to meet the minimum requirements (€38,094) for a public limited company under Irish company law. On 2 August 2011, the company subdivided its share capital into €0.005 shares. In accordance with, IAS 33, Earnings per Share, this post year-end bonus issue of shares has been reflected in the current period and the comparative EPS calculations.

	6 Months ended 30 June 2011 US$'000s (Unaudited)	6 Months ended 30 June 2010 US$'000s (Unaudited)	12 Months ended 31 December 2010 US$'000s (Audited)
Profit/(loss) attributable to equity holders of the parent	242	(57)	1,467
Basic weighted number of shares	7,572,000	7,520,000	7,521,567
Dilutive potential ordinary shares:			
Convertible ordinary shares	428,000	393,200	410,247
Diluted weighted number of ordinary shares	8,000,000	7,913,200	7,931,814
Basic earnings per share (in US$ cents per share)	3.2	(0.8)	19.5
Diluted earnings per share (in US$ cents per share)	3.0	(0.7)	18.5

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

7 Property, plant and equipment

	6 Months ended 30 June 2011 US$'000s (Unaudited)	12 Months ended 31 December 2010 US$'000s (Audited)
Net book value at beginning of period	282	251
Additions	61	211
Disposals	(1)	(1)
Depreciation charge	(78)	(179)
Translation adjustments	7	-
Net book value at end of period	271	282

8 Intangible assets

	6 Months ended 30 June 2011 US$'000s (Unaudited)	12 Months ended 31 December 2010 US$'000s (Audited)
Net book value at beginning of period	32,247	31,260
Additions	706	1,021
Amortisation charge	(131)	(34)
Net book value at end of period	32,822	32,247

NOTES TO THE INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2011

9 Analysis of net debt

	31 December 2010 US$'000s (Unaudited)	Cashflow US$'000s (Unaudited)	Non cash movements US$'000s (Unaudited)	30 June 2011 US$'000s (Unaudited)
Cash and cash equivalents	**779**	(400)	**-**	**379**
Non-current borrowings	(8,177)	-	(616)	(8,793)
Current borrowings	(19,936)	1,000	(238)	(19,174)
Net debt	**(27,334)**	**600**	**(854)**	**(27,588)**

10 Cash generated from operations

	Six months ended 30 June 2011 Total US$'000s (Unaudited)	Six months ended 30 June 2010 Total US$'000s (Unaudited)	Year ended 31 December 2010 Total US$'000s (Audited)
Profit/(loss) before tax	407	(42)	2,236
Adjustments for			
Depreciation	78	94	179
Amortisation	131	-	34
Loss on disposal of property, plant and equipment	1	-	1
Finance income	(1)	(7)	(7)
Finance expense	972	1,093	1,865
Employee share-based payments	-	267	267
Foreign exchange translation	89	215	358
Changes in working capital			
Decrease/(increase) in trade and other receivables	735	1,213	(181)
Decrease in trade and other payables	(699)	(747)	(500)
Cash generated from operations	1,713	2,086	4,252

11 Contingent liabilities

The Group is not aware of any major changes with regard to contingent liabilities in comparison with the situation as of 31 December 2010.

12 Subsequent events

The company re-registered as a public limited company on 14 July 2011 and changed its name to Escher Group Holdings plc on 14 July 2011.

A 3 for 1 bonus issue of shares was made on 15 July 2011 through a capitalisation of reserves. This brought the issued share capital to €40,000, to meet the minimum requirements (€38,094) for a public limited company under Irish company law.

The Group received US$25 million in new equity from institutional investors on admission of the Group to the Alternative Investment Market of the London Stock Exchange on the 8th of August 2011.

The proceeds from this fundraising have been applied to reduce the debt of the Group and to the provision of sufficient working capital to enable the Group to execute its business plan.

13 Related party transactions

There was an amount of US$8,793,000 owing to Bacchantes Limited at 30 June 2011. Bacchantes Limited is represented on the Board of the Group by Michael Smurfit Jnr.

14 Cautionary statement

This document contains certain forward-looking statements with respect of the financial condition, results, operations and businesses of Escher Group Holdings plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause the actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. Nothing in this document should be construed as a profit forecast.

15 Copies of Interim Financial Statements

Copies of the interim financial statements are available from the Company at its office at DMG Business Centre, 12 Camden Row, Dublin 8, Ireland. The interim financial information document will also be available on the Company's website www.eschergroupholdings.com

16 Release of half yearly condensed financial statements

The Group condensed financial information was approved for release by a subcommittee of the Board of directors on 28 September 2011.