ESCHER GROUP™

24 September 2012

Escher Group Holdings plc

Interim results for the six months ended 30 June 2012

Escher, the world-leading provider of outsourced, point-of-sale software to the postal industry, announces its unaudited results for the six months ended 30 June 2012.

Financial Highlights

- Revenue increased 34% to US$8.68m (H1 2011: US$6.46m)
- EBITDA H1 2012 of US$1.87m increased 18% (H1 2011: US$1.59m)
- Operating profit H1 2012 of US$1.44m increased 5% (H1 2011: US$1.38m).
- PBT of US$1.15m increased 182% (H1 2011: US$0.41m)
- Basic and diluted EPS US$4.6 cents (H1 2011: US$3.2 and US$3.0 cents respectively)
- Net Debt significantly reduced to US$3.90m (31 December 2011: US$8.38m)

Operational Highlights

- Major contract signed with United States Postal Service on its Retail System Software project ('USPS RSS')
- Further contract wins in the period; Pakistan Post and SwaziPost
- Raised gross proceeds of US$6.36m (£3.9m) in a placing of 1.60m new shares
- 25 new employee hires and new office in Washington

Liam Church, Chief Executive, said:

"We are delighted with our first half performance. Signing 3 new contracts including the USPS contract confirms Escher as the pre-eminent vendor of software to the postal industry. The contract is expected to generate, over a fifteen-year term, approximately US$50m in revenue for the Group, but with scope for substantial additional revenue. The delivery of the USPS contract is on schedule. The first half year performance has enabled Escher to strengthen and re-organise its business and leaves us very well positioned to pursue other large scale opportunities that we are seeing in the industry. Our pipeline remains good and we are confident of meeting expectations for the year".

The 2012 Interim Results Announcement is available on the Group's website: - www.eschergroup.com.

Enquiries:

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

Liam Church,	Chief Executive Officer
Fionnuala Higgins,	EVP Sales & Marketing
Jonathan O'Connell,	Finance Director

Panmure Gordon +44 (0) 207886 2500

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

Powerscourt +44 (0)20 7250 1446

Paul Durman / Nick Dibden /Sophie Moate

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 that 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 33 countries and territories worldwide. It is licensed for over 170,000 workstations.

Substantially all of Escher's existing customers are national postal authorities including United States Postal Services, An Post in Ireland, Austria Post, Deutsche Post, Norway's Posten and South Africa Post Office. The Group services these customers from its 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.

Overview

Escher made good progress in the first half of the year with revenue up 34% and securing a number of customer wins, including the Group's largest ever win with the United States Postal Service (USPS) for their Retail Software Solution (RSS). The contract, which has an initial 54 month period plus renewal options is expected to generate, over a fifteen-year term, approximately US$50m in revenue for the Group, but with scope for substantial additional revenue. The first revenue recognised from this contract win amounted to US$2.3m in the period, with increasing revenue expected as the software is rolled out across the network. Escher is currently delivering well on the initial phases of the implementation, which is on track.

In addition Escher has won contracts with SwaziPost and Pakistan Post. In April, the Group also announced that it had secured a contract to deliver centralised financial services to Pakistan Post in partnership with TelcoNet. This is the first phase of an ambitious plan to deliver enhancements across Pakistan's network of 13,000 post offices. SwaziPost, the national postal operator in Swaziland selected Escher's Riposte to modernise its postal network, to offer new revenue generating products and services while at the same time reducing the existing cost base.

The Group continues to generate revenue from existing customers for professional services in the form of integration services and requests for additional software functionality. Renewal of maintenance and support contracts by the Group's existing customers remain consistent and in line with previous periods.

As flagged previously in August, at the time of our half year trading update, this period was marked by a considerable period of investment. To facilitate these new contract wins and in order to continue to deliver to existing and future customers, Escher opened an office in Washington D.C., and has hired 25 new employees in all areas of operations including research and development and sales and business development. Winning the USPS contract has afforded us the opportunity to develop and strengthen our business operations so that we are better able to meet customer requirements and take on larger transactions.

Industry update

The recent economic slowdown has created an opportunity for Escher with more Governments and post offices reviewing the services they deliver and the cost structures they have in place. As a result, Escher is witnessing increasing interest in its product offering, which can deliver cost savings while increasing the services that post offices deliver. These factors, along with Escher's delivery of large scale implementations in major post offices, have resulted in Escher being involved with a number of tenders and early stage tender processes. Whilst we have limited ability to predict the timing of new contract wins, Escher is well placed in these situations and discussions are on-going. In addition, a key priority of the business will be to drive revenue opportunities from existing customers.

Placing

During the period the Group successfully raised gross proceeds of US$ 6.36m (£3.9m) through the issue of 1,599,999 shares. The funds were raised to take advantage of these new opportunities in the industry and to develop the business to be able to deliver on these large scale point-of-sale ("POS") opportunities when they arise. In addition, the funds are being used to enhance and extend the software platform through the integration of Near Field Communications ("NFC") and the development of further Riposte TrEx opportunities. The strengthening of our balance sheet and the reduction of net debt also helps in tender discussions.

Research and development

Escher believes that it can leverage its existing relationships and reputation to generate increased interest in its RiposteTrEx™ product within the postal world and with governments. During the period the Group continued its investment in developing RiposteTrEx and intends to target its existing customer base as early adopters later this year**.** Escher Group has already agreed a RiposteTrEx software licence with An Post (the Irish National Postal Operator).

The integration of NFC technology and standard point of sale terminals remains a focus so that we can deliver key additional functionality to RiposteEssential and RiposteTrEx solutions. We are also pursing standalone NFC services..

Board changes

The Group is pleased to welcome Jonathan O'Connell as Group Finance Director and a member of the Board. Jonathan has extensive experience with quoted companies and growing software companies. Jonathan replaces Trevor McIntyre who made an invaluable contribution to the development of the Group over the past number of years.

Outlook

With a healthy sales pipeline, coupled with the momentum generated in the first six months of 2012, we expect full year earnings to be in line with Board expectations.

FINANCIAL REVEIW

Revenue

Revenue increased by US$2.22m or 34% from US$6.46m in the six months ended 30 June 2011 to US$8.7m for the same period in the current year. This increase was mainly due to the new contracts signed in the first half of 2012.

On account of the strong performance from our license and professional services, the revenue mix altered with license revenue increasing by US$1.16m to US$1.64m (H1 2011:US$0.49m) and revenue from software development and consulting services growing strongly by 54% to US$3.01m (H1 2011: US$1.96m) . This growth is mainly from software development and integration contracts for Armenia, New Caledonia, South Africa and the USA. Revenue from support increased by 12% to US$1.43m (H1 2011: US$1.27m). Revenue from maintenance decreased by 5% to US$2.59m (H1 2011: US$2.74m), this is mainly due to the renegotiation of one maintenance contract.

The Group's business is seasonal and is weighted towards to second half of the year therefore, the results for the six months ended 30 June 2012 cannot be proportionately compared with the results for the year ending 31 December 2011.

Gross Profit

During the first half of 2012, gross profit increased by US$1.37m to US$5.91m (H1 2011: US$4.54m). The gross profit margin was 68.1% compared to 70.3% in the comparable period due to the change in revenue mix with a greater proportion of professional services revenue in the current period.

Operating expenses/profit

Operating expenses in the six months ended 30 June 2012 increased to US$4.47m (41%) from US$3.16m for the same period in the current year. This increase was mainly due to;

- an increase in overheads and sales and business development activities to deal with new contract activity and the overheads associated with the recruitment and management of new staff and contractors including a new office in Washington.
- an increase in amortisation of capitalised R&D by US$0.15m
- the incremental costs of being a quoted company which were not applicable in 2011.

During the first half of 2012 operating profit increased by US$0.07m to US$1.44m (H1 2011: US$1.38m).

Intangibles

Operating profit excludes US$1.37m (H1 2011: US$0.7m) of research and development costs which have been capitalised on the following projects:

- Riposte TrEx US$0.7m (H1 2011: US$0.7m), amortisation US$0.3m (H1 2011: US$0.1m)
- Commercial off the shelf solution ('COTS') US$0.5m, (H1 2011: US$nil) amortisation US$nil both years.
- NFC and other capital projects US$0.2m, (H1 2011: US$nil) amortisation US$nil both years.

Net finance expense

Net finance expense for the six month period ended 30 June 2012 was US$0.29m, a reduction of US$0.68m or 70% from US$0.97m for the same period in the prior year. This decrease was due to reduced average debt as a result of new funds raised in the IPO in August 2011, the placing of additional shares in April 2012 and the benefit of an extra year's cash flow.

Included in the net finance expense for the current period is US$0.06m of amortisation relating to the capitalisation of the finance costs arising on the new Bank of Ireland loan facility arranged in January 2012.

Income tax expense

The effective tax rate for the six months ended 30 June 2012 of 30% was slightly higher than the effective tax rate for the full year ended 31 December 2011, before taking into consideration the professional fees for the IPO which were not tax deductible. Withholding tax not recoverable accounted for the slight increase in the effective rate.

Profit for the period

The Group's profit after tax for the period increased by US$0.56m to US$0.81m for the six months ended 30 June 2012 (H1 2011:US$0.24m). The increase was due to the items mentioned above.

Earnings per share

Basic and diluted EPS for the six months ended 30 June 2012 were both US$4.6 cents per share, a 44% increase in basic EPS and a 53% increase in diluted EPS over the same period in the prior year.

Cash flow and net debt

Cash generated from operations for the six month period ended 30 June 2012 was US$0.96m (H1 2011: US$1.7m). The change reflects a US$0.35m increase in receivables during the period caused by the increase in revenues and a decrease in accounts payable of US$0.36m reflecting more active management of creditors.

The Group's net debt was US$3.89m at 30 June 2012 (31 December 2011: US$8.38m) a decrease of US$4.48m from the beginning of the year and a decrease of US$23.7m from 30 June 2011. In August 2011, the Group raised US$21.4m on IPO net of expenses. These funds were used to make partial repayments of US$10.75m and US$5.00m from the Irish Bank Resolution Corporation (IBRC) facility and the Bacchantes Limited loan note (Loan Note) facility respectively.

In January 2012, the Group secured new facilities from Bank of Ireland: a US$9.70m term loan facility and a US$1.80m revolving 12-month facility. The Group drew down US$10.00m from these facilities to repay the outstanding balances of US$8.42m and US$3.33m on the IBRC and the Loan Note. A further US$1.73m has been paid off the Bank of Ireland facilities and the balance at 30 June 2012 was US$8.27m on the term loan facility. The revolving twelve month facility for US$1.80m is currently available for draw down.

FINANCIAL REVEIW

Share Placing

In April 2012, the Group raised a further US$6.36m with the additional placing of 1,599,999 shares. The cost of the additional placing of shares of US$0.3m has been fully accounted for in equity and no associated costs were included in the income statement.

The placing has allowed Escher to pursue large scale point of sale ("POS") opportunities and to implement the USPS requirements effectively. It is also being used to fund the enhancement of the platform through the integration of NFC and standard point of sale terminals allowing for active pursuit of further Riposte TrEx opportunities at local and European government level.

Dividend

The Board does not propose paying a half year dividend for this period.

CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2012

	Notes	Six months ended 30 June 2012 US$'000 (Unaudited)	Six months ended 30 June 2011 US$'000 (Unaudited)	Year ended 31 December 2011 US$'000 (Audited)
Revenue	5	8,678	6,460	13,862
Cost of sales		(2,767)	(1,918)	(3,807)
Gross profit		**5,911**	**4,542**	**10,055**
Operating expenses		(4,467)	(3,164)	(7,561)
Operating Profit		**1,444**	**1,378**	**2,494**
Finance income		1	1	127
Finance expenses		(294)	(972)	(1,474)
Profit before income tax		**1,151**	**407**	**1,147**
Income tax expense		(345)	(165)	(544)
Profit for the period		**806**	**242**	**603**
Earnings per share (US$ cent per share)	6			
Basic		4.6	3.2	5.3
Diluted		4.6	3.0	5.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2012

	Six months ended 30 June 2012 US$'000 (Unaudited)	Six months ended 30 June 2011 US$'000 (Unaudited)	Year ended 31 December 2011 US$'000 (Audited)
Profit for the period	806	242	603
Other comprehensive income:			
Currency translation differences	(470)	74	(366)
Total comprehensive income for the period	**336**	**316**	**237**

The notes on pages 12 to 19 form an integral part of these condensed consolidated interim financial statements

Escher Group Holdings plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2012

	Notes	30 June 2012 US$'000 (Unaudited)	30 June 2011 US$'000 (Unaudited)	31 December 2011 US$'000 (Audited)
Assets				
Non-current assets				
Property, plant and equipment	7	528	271	548
Intangible assets	8	34,877	32,822	33,963
Deferred income tax assets		171	237	170
Total non-current assets		**35,576**	**33,330**	**34,681**
Current assets				
Cash and cash equivalents	9	3,977	379	3,439
Trade and other receivables		6,000	4,756	5,650
Total current assets		**9,977**	**5,135**	**9,089**
Total assets		**45,553**	**38,465**	**43,770**
Equity and liabilities				
Equity attributed to equity holders of the patent				
Share premium		26,894	-	20,884
Issued capital		128	13	118
Other reserves		47	418	517
Retained earnings		5,009	3,882	4,203
Total equity		**32,078**	**4,313**	**25,722**
Non-current Liabilities				
Borrowings	9	5,592	8,793	-
Deferred income tax liabilities		-	-	141
Provisions for other liabilities and charges		24	24	24
Total non-current liabilities		**5,616**	**8,817**	**165**
Current liabilities				
Borrowings	9	2,283	19,174	11,816
Trade and other payables		5,327	5,230	5,683
Current income tax payable		249	803	328
Derivative financial instruments		-	128	56
Total current liabilities		**7,859**	**25,335**	**17,883**
Total liabilities		**13,475**	**34,152**	**18,048**
Total equity and liabilities		**45,553**	**38,465**	**43,770**

The notes on pages 12 to 19 form an integral part of these condensed consolidated interim financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUTY
For the six months ended 30 June 2012

	Equity share capital US$'000 (Unaudited)	Share premium US$'000 (Unaudited)	Cumulative foreign translation reserve US$'000 (Unaudited)	Other reserves US$'000 (Unaudited)	Retained earnings US$'000 (Unaudited)	Total equity US$'000 (Unaudited)
Balance at 1 January 2012	**118**	**20,884**	**(447)**	**964**	**4,203**	**25,722**
Profit for the financial period	-	-	-	-	806	806
Other comprehensive income	-	-	(470)	-	-	(470)
Proceeds from issuing new shares	10	6,346	-	-	-	6,356
Cost of issuing new shares	-	(336)	-	-	-	(336)
Balance at 30 June 2012	**128**	**26,894**	**(917)**	**964**	**5,009**	**32,078**
Balance at 1 January 2011	**13**	-	**(81)**	**425**	**3,640**	**3,997**
Profit for the financial period	-	-	-	-	242	242
Other comprehensive	-	-	74	-	-	74
Balance at 30 June 2011	**13**	**-**	**(7)**	**425**	**3,882**	**4,313**
Profit for the financial period	-	-	-	-	361	361
Other comprehensive income	-	-	(440)	-	-	(440)
Bonus Issue of shares	40	-	-	-	(40)	-
Share based payments	1	-	-	539	-	540
Net proceeds from share issue	64	20,884	-	-	-	20,948
Balance at 31 December 2011	**118**	**20,884**	**(447)**	**964**	**4,203**	**25,722**

The notes on pages 12 to 19 form an integral part of these condensed consolidated interim financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2012

	Notes	Six months ended 30 June 2012 US$'000 (Unaudited)	Six months ended 30 June 2011 US$'000 (Unaudited)	Year ended 31 December 2011 US$'000 (Audited)
Cash flows from operating activities				
Cash generated from operations	10	**961**	**1,713**	**2,982**
Interest received		1	1	5
Interest paid		(274)	(168)	(418)
Income taxes paid		(504)	(147)	(698)
Net cash generated from operating activities		**184**	**1,399**	**1,871**
Cash flows from investing activities				
Additions to intangible assets	8	(1,367)	(706)	(2,207)
Additions to property, plant and equipment	7	(133)	(61)	(446)
Net cash used in investing activities		**(1,500)**	**(767)**	**(2,653)**
Cash flows from financing activities				
Proceeds received from new shares issued		6,356	-	23,837
Share issue costs paid		(336)	-	(3,483)
Proceeds from borrowings		11,500	-	-
Repayment of borrowings		(15,043)	(1,000)	(16,750)
Repayment of swap		(56)	-	-
Financing/ re-financing costs paid		(457)	-	-
Net cash generated from/(used in) financing activities		**1,964**	**(1,000)**	**3,604**
Net increase/(decrease) in cash and cash equivalents		648	(368)	2,822
Cash and cash equivalents at beginning of year	9	3,439	779	779
Foreign exchange adjustments		(110)	(32)	(162)
Cash and cash equivalents at end of year	9	**3,977**	**379**	**3,439**

The notes on pages 12 to 19 form an integral part of these condensed consolidated interim financial statements

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2012

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 North Wall Quay, Dublin 1, 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.

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 2011. The financial statements for the year ended 31 December 2011 were filed with the Registrar of Companies and are available on the Group’s website www.eschergroup.com. Those financial statements contained an unqualified audit report.

The Group’s condensed interim financial information for the six months ended 30 June 2012 and the comparative figures for the six months ended 30 June 2011 are unaudited. The financial information presented for the year ended 31 December 2011 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 2012 is included on pages 3 to 7 of this document.

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 2011.

New accounting standards and interpretations which became effective for the first time in 2012 (as set out in the 2011 annual report) had no material impact on the results or the financial position of the Group in the six month period ended 30 June 2012.

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 2011.

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 Board of the Company as its CODM. The Board 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 Board assesses the performance of the segments based primarily on measures of revenues and net profit. The Board reviews working capital and overall statement of financial position performance on a Group-wide basis.

The Board 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

	Six months ended 30 June 2012 US$’000 (Unaudited)	Six months ended 30 June 2011 US$’000 (Unaudited)	Year ended 31 December 2011 US$’000 (Audited)
Licenses	1,643	486	2,299
Maintenance	2,593	2,740	5,510
Support	1,427	1,271	2,497
Software development and consulting	3,015	1,963	3,556
Revenue	**8,678**	**6,460**	**13,862**

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

	Six months ended 30 June 2012 US$'000 (Unaudited)	Six months ended 30 June 2011 US$'000 (Unaudited)	Year ended 31 December 2011 US$'000 (Audited)
UK and Ireland	292	165	711
Other Europe	2,523	2,985	6,243
North & Latin America	2,986	660	1,402
Asia-Pacific region	1,039	569	1,136
Africa & Middle East	1,838	2,081	4,370
Revenue	**8,678**	**6,460**	**13,862**

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:

	Six months ended 30 June 2012 % (Unaudited)	Six months ended 30 June 2011 % (Unaudited)	Year ended 31 December 2011 % (Audited)
Customer A (North & Latin America)	30%	0%	0%
Customer B (Other Europe)	12%	20%	16%
Customer C (Africa & Middle East)	11%	19%	15%
% of total reported revenues	53%	39%	31%

The total of non-current assets other than deferred income tax assets located in the Republic of Ireland at 30 June 2012 is US$4.2m (June 2011: US$2.0m), and the total of non-current assets located in other countries is US$31.2m (June 2011: US$31.1m).

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.

	Six Months ended 30 June 2012 US$'000 (Unaudited)	Six Months ended 30 June 2011 US$'000 (Unaudited)	Year ended 31 December 2011 US$'000 (Audited)
Profit attributed to equity holder of the patent	806	242	603
Basic weighted number of shares	17,622,108	7,572,000	11,311,633
Dilutive potential ordinary shares:			
Convertible ordinary shares	-	428,000	-
Diluted weighted number of ordinary shares	17,622,108	8,000,000	11,311,633
Basic earnings per share (in US$ cents per share)	4.6	3.2	5.3
Diluted earnings per share (in US$ cents per share	4.6	3.0	5.3

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2012

7 Property, plant and equipment

	30 June 2012 US$'000 (Unaudited)	31 December 2011 US$'000 (Audited)
Net book value at beginning of the period	**548**	**282**
Additions	133	446
Disposals	(1)	(3)
Depreciation charge	(143)	(155)
Exchange differences	(9)	(22)
Net book value at end of period	**528**	**548**

8 Intangible assets

At 30 June 2012	Goodwill US$'000 (Unaudited)	Other Intangible assets US$'000 (Unaudited)	Total Intangible assets US$'000 (Audited)
Net book value at beginning of period	31,127	2,836	33,963
Additions	-	1,367	1,367
Amortisation charge	-	(285)	(285)
Exchange differences	(166)	(2)	(168)
Net book value at end of period	**30,961**	**3,916**	**34,877**

At 31 December 2011	Goodwill US$'000 (Unaudited)	Other Intangible assets US$'000 (Unaudited)	Total Intangible assets US$'000 (Audited)
Net book value at beginning of period	31,260	987	32,247
Additions	-	2,207	2,207
Amortisation charge	-	(358)	(358)
Exchange differences	(133)	-	(133)
Net book value at end of period	**31,127**	**2,836**	**33,963**

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2012

9 Analysis of net debt

	31 December 2011 US$'000 (Unaudited)	Cash inflow/(outflow) US$'000 (Unaudited)	30 June 2012 US$'000 (Unaudited)
Cash and cash equivalents	3,439	538	3,977
Non-current borrowings	-	(5,592)	(5,592)
Current borrowings	(11,816)	9,533	(2,283)
Net debt	**(8,377)**	**4,479**	**(3,898)**

10 Cash generated from operations

	Six Months ended 30 June 2012 US$'000 (Unaudited)	Six Months ended 30 June 2011 US$'000 (Unaudited)	Year ended 31 December 2011 US$'000 (Audited)
Profit before tax	**1,151**	**407**	**1,147**
Adjustments for:			
Depreciation	143	78	155
Amortisation	285	131	358
Loss on disposal of PP&E	1	1	-
Finance income	(1)	(1)	(5)
Finance expense	294	972	1,474
Foreign exchange translation	(183)	89	(177)
Movement in derivatives	-	-	(122)
Exceptional costs	-	-	828
Decrease/(increase) in trade and other receivables	(350)	735	(60)
(Decrease)/increase in trade and other payables	(379)	(699)	(616)
Cash generated from operations	**961**	**1,713**	**2,982**

10 Post balance sheet events

There have been no significant events affecting the company since the end of June 2012.

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 2011.

NOTES TO THE INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2012

12 Related party transactions

In January 2012, the Group fully repaid the outstanding amount of US$3.33 million owing to Bacchantes Limited, a company represented by Michael Smurfit Jnr., who is a Director of the company.

13 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.

14 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.eschergroup.com

15 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 21 September 2012.