

1 November 2013

Escher Group Holdings plc

Escher revises estimate of license recognition

Escher Group Holdings plc, (AIM: ESCH, "Escher" or "the Group"), a world-leading provider of outsourced, point of sale software to the postal industry, has revised its estimate of when it will recognise license revenue from a customer from Q4 2013 to the first half of 2014. As a result, Escher believes it will not be in a position to recognise approximately \$6m of license revenue until the first half of 2014.

Escher has delivered the required software but is of the opinion that the customer will not have deployed the software to a sufficient number of workstations to trigger full license payment by year end.

Liam Church, Escher's CEO said:

"We remain pleased with progress on this project. We have delivered our software to the customer, the software is currently live in a number of post offices and we are now supporting the customer in a large and complex software deployment exercise."

"The rest of the business continues to trade in line with Board expectations."

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About Escher Group

Escher is a world leading developer and provider of outsourced, point-of-service software for use in the worldwide postal industry. Its core software, RiposteEssential™, enables post offices to expand upon their traditional offering, providing additional new services, reducing costs and increasing efficiency. Riposte® is a messaging middleware that enables applications operating on different computers to communicate with each other. The Riposte® software manages data, monitors the system status and communicates across the network. Escher Group operates across two divisions - a Retail Software Division and a Message Based Communications Division.

The Retail Software Solution (RiposteEssential™) serves the postal and courier markets. Transactions include mail and financial services and the system is integrated with utilities and financial services companies, banks and central and local governments.

Escher's Message Based Communications Division (RiposteTrEx™) is based on a digital post office box model and is designed to provide a national digital infrastructure linking governments, businesses and citizens via a secure platform.