

30 July 2013



Escher Group Holdings plc

Half year trading update

Escher Group Holdings plc (AIM: ESCH, "Escher" or the "Group"), a world-leading provider of outsourced, point-of-service software to the postal industry, has published a trading update for the half year to 30 June 2013.

Revenue in the period grew strongly and is expected to be approximately US\$12.8m (2012: US\$8.7m), a 47% increase over the prior period. At the same time, the Group has continued to invest significantly in new products and operations, so overall adjusted EBITDA* remains in line with the Board's expectations at US\$2.4m (2012: US\$1.9m). Net debt at 30 June 2013 was US\$4.6m (December 2012: US\$2.2m).

Postal Solutions

The Group's postal business performed strongly during the first six months, with revenues increasing significantly following four new contract wins in 2012. The Group continued to sign renewals of maintenance and support including; Posten Norge, Brunei Post, An Post and Israel post.

Escher Interactive Services

The Group continued its investment programme in its new product offerings, which provide retail/mCommerce, eGovernment and community based message solutions (RiposteTrEx). Escher has also expanded its business development capabilities in this area and moved its UK office to London.

Escher expects to publish its half year results in the week commencing 9 September 2013.

Liam Church, Escher's Chief Executive, commented:

"We have made further good progress, consolidating our 2012 contract wins with a strong revenue performance whilst investing in our Interactive Services business and we remain confident about the outlook for the rest of the year."

* Operating profit before, depreciation, amortisation, share based payments and exceptional items.

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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 postal industry worldwide. 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 operates across two divisions - its Retail Software Division and its 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.