

9 June 2014

Escher Group Holdings plc

Escher update on customer rollout

Escher Group Holdings plc, (AIM: ESCH, "Escher" or "the Group"), a world-leading provider of outsourced, point of sale software to the postal industry, updates its guidance on when it will fully recognise license revenue from a customer. Escher will recognise \$1.8m of the outstanding \$6m licensing revenue in the first half of 2014, with the remainder now expected in the second half of 2014. For the year as a whole, the Group continues to trade in line with Board's expectations.

The customer is currently rolling out Escher's software to its Post Office network but more slowly than originally anticipated. However, the Board remains confident that the customer will have deployed the software to a sufficient number of workstations to trigger the full license payment in the second half of 2014.

Liam Church, Escher's CEO said:

"Our software is currently live in a number of the customer's post offices and the rollout is expanding on a weekly basis. We continue to support the customer in a large and complex software deployment exercise."

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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.