14 September 2015

Escher Group Holdings plc

Half year results

Escher Group Holdings plc (AIM: ESCH, 'Escher' or 'the Group'), a world leading provider of point-of-service software for use in the postal, retail and financial industries, has published its results for the six months ended 30 June 2015.

Financial highlights

- Revenue up 7% to US$11.85m (H1 2014: US$11.08m)
- Adjusted EBITDA* increased by 66% to US$2.68m (H1 2014: US$1.61m)
- Profit before tax up 202% to US$1.26m (H1 2014: US$0.42m)
- Basic EPS up 150% to US$4.0 cents (H1 2014: US$1.6 cents)
- Net debt reduced to US$2.72m (30 June 2014: US$3.54m; 31 Dec 2014; US$5.3m)

Operational highlights

- Continued success with expanding traditional software portfolio:
    - Rollouts for two major international customers in North America and Malaysia confirming position as supplier of choice in postal automation software - one reached enterprise license milestone, resulting in remaining US$2.4m of license revenue being recognised and commencement of maintenance revenue
    - Contract to provide retail bank, permanent tsb (ptsb) with *RiposteEssential* - signals entry into the banking market
    - Secured a Self-Service Kiosk contract with a top tier postal operator
- Expanding portfolio of customers signing up to new software range which includes Digital (*RiposteTrEx*), Interactive Services and Enterprise Mobile software:
    - Now operating a digital communications service for UK's North East Local Enterprise Partnership (NELEP)
    - Awarded seven year transaction fee based contract by Ireland's Local Government Management Authority ("LGMA") - enabling enterprises to digitally apply for government licenses and permits
    - First Enterprise Mobile customer Deutsche Post DHL Group ("DPDHL") commenced annual subscription revenue in June 2015
    - On 8 September 2015 Isle of Man Post Office (IOM), went live with Escher's *eMoney* solution which allows IOM citizens to claim government pension and benefits payments digitally

Liam Church, Escher Chief Executive, said:

"We have had a solid first half. The rollout of our software to two major customers in Malaysia and North America is a significant milestone for us, providing a steady increase in future recurring revenue.

"This, along with the supply of our Self-Service Kiosk solution to a top tier postal operator endorse our position as a key supplier of digital transaction management software.

"Our expanded software range, is opening up opportunities across a wider range of growing digital transaction management markets, as has been demonstrated by a number of recent contract wins including with ptsb.

"Given the quality of our pipeline, the growth of our recurring revenue base and the strength of our technology set, we remain confident about our growth prospects."

*Operating profit before, depreciation, amortisation, and share based charge

Enquiries:

Escher www.eschergroupholdings.com Liam Church, Chief Executive Officer Jonathan O'Connell, Finance Director Fionnuala Higgins, MD Postal Retail	+353 (0)1 254 5400
Panmure Gordon Andrew Godber, Corporate Finance Erik Anderson, Corporate Broking	+44 (0)20 7886 2500
Instinctif Partners Adrian Duffield/Lauren Foster	+44 (0)20 7457 2020

The half year results announcement is available on the Group's website: www.eschergroup.com.

About Escher

Escher is a world leading provider of point-of-service software. Its core software, *Riposte*®, together with its wider Transaction Management Platform, can be used in the postal, retail and financial industries to enable enterprises to expand their offerings and provide new services.

The Riposte® Platform can operate at significant scale and solves the complex problems for enterprises and central and local governments as they eliminate paper and transition to fully digital processes in their commercial interactions. As a digital transaction management platform, it ensures the same transaction experience on a desktop, enterprise mobile device, consumer mobile device, on the web or through a third party agent regardless of a on premise or as a cloud based managed service deployment.

Overview

Escher delivered a solid set of results in the first half of 2015. Revenue grew 7% to US$11.85m (2014: US$11.08m) driven by increases in license and maintenance revenues. Consulting services revenue was lower as a major contract transitioned from a development and customisation phase to roll out support services.

A key customer enterprise license milestone resulted in the recognition of the remaining US$2.4m of license revenue. Achieving this milestone has contributed to in an increase in maintenance revenue by 19% to US$3.47m (H1 2014: US$2.92m).

Adjusted EBITDA* increased by 66% to US$2.68m (H1 2014: US$1.61m) and net debt reduced 49% from year end to US$2.72m (31 December 2014: US$5.3m)

Escher's strategy has been to widen and enhance its customer base by investing in its existing software portfolio and new software range including Digital *(RiposteTrEx*), Interactive Services and Enterprise Mobile software. This has enabled the Group to address the rapidly growing digital transaction management market, where Escher is focused on delivering solutions to postal, retail, government and financial organisations.

In line with Escher's strategy to expand into new markets using its *Riposte®* platform, an important milestone was the Group's move into the financial services market with the Irish retail bank, ptsb. ptsb signed to use Escher's *RiposteEssential* to provide a full range of retail financial services and payments to all of its 76 branches.

Escher also won contracts in the local government space with the UK's NELEP and the LGMA for license and permit applications using the *RiposteTrEx*™ platform.

Escher has also developed a consumer mobile solution and in September its *eMoney* client, IOM, successfully went live. *eMoney* enables IOM to offer a system for citizens to claim government pension and benefits payments digitally.

Current trading and outlook

Escher is currently trading in line with the Board's expectations and is focused on securing additional licensed sales.

The pipeline of opportunities continues to expand for the Group's new software range which includes its new digital services and interactive retail markets. The NELEP *RiposteTrEx* contract win in April 2015 for a digital communication service in the UK's North East is an example of the diversity of markets that the *RiposteTrEx* platform can expand into.

Operating review

Escher is a world leading provider of point-of-service software. Its core software, *Riposte®*, together with its wider Transaction Management Platform, can be used in the postal, retail and financial industries to enable enterprises to expand their offerings and provide new services.

Escher has a market leading position in the postal industry. The Group's products and associated services provide over 30 national postal operators around the world with the software infrastructure to generate revenues.

Existing software portfolio

The focus for the Group's core postal point of service market is to drive incremental sales from existing customers and to penetrate further the postal counter market with its *Riposte* range of products. These provide seamlessly integrated counter and automation solutions for postal and retail organisations of all sizes.

Escher's recent contract win to supply its Self-Service Kiosk solution to another top tier postal operator and rollouts with two major customers underpin Escher's international expansion opportunities and further endorses the Group's position as a key supplier of postal automation software.

The Group's Self-Service Kiosk solution reinforces Escher's dedication to being at the forefront of technology in the industry.

New software range

Escher continues to invest in new software platforms and solutions; Digital, Interactive and Enterprise Mobile solutions. Much of the core platform development work has been completed especially for digital and interactive solutions and this is reflected in reduced software capitalisation. The Group now expects to generate significant growth opportunities from its focus on central and local government and the financial services areas.

Digital

RiposteTrEx™ is Escher's platform for digital transaction management providing solutions for governments and businesses to manage communication and transactions internally and externally anytime and from anywhere. Driven by the need to reduce costs and increase interaction with citizens, governments and local authorities are looking for new cost effective and efficient ways to communicate.

RiposteTrEx™ is a secure, highly scalable, digital manner which allows citizens, businesses, governments and international agencies to collaborate securely online.

In April 2015 Escher was awarded a contract to deliver and operate a collaborative digital communications platform for the UK's NELEP. Escher will deliver the digital communications platform using its *RiposteTrEx* technology. This incorporates a rich and comprehensive range of applications including, federated identity, secure messaging, license management and transactions services. The system is built for scalability and aligns with the long term aspirations of the NELEP for a wider vision of the platform.

In August 2015 Escher announced that, in conjunction with its partner An Post (the Irish Post Office), it had been awarded the contract to digitally deliver national license & permits applications system for enterprises by the LGMA. The outsourced, Cloud based service, is built on Escher's digital transaction management platform *RiposteTrEx*™. It will provide a one-stop-shop cloud service designed to digitally manage document-based licensing applications and permits meaning that enterprises can digitally apply for government licenses and permits.

The system will be delivered, in the first instance for the retail sector which includes 29 core licences across 40 public sector licensing authorities, including over 30 local authorities. It is envisaged that this system would then be expanded to include other licences of key sectors of the economy and involve other licensing authorities as the system is rolled out.

Interactive Services

Escher's consumer mobile solution, based on its interactive technology, provides an integrated *eMoney* solution for government payments in the Isle of Man. IOM customers can receive government payments using an *eMoney* card that can be used to pay for goods and services at local retailers. This innovative solution combining Escher's technologies went live in September 2015.

Enterprise Mobile Services

Escher has invested in its Enterprise Mobile capabilities to deliver new solutions to postal operators and logistics companies. Escher's Enterprise Mobile solution, which encompasses Windows CE, Windows Phone, Apple's IOS and Google's Android platforms is designed to support the rapidly growing ecommerce market.

In September 2014, Escher signed its first Enterprise Mobile customer, DPDHL. In June 2015 DPDHL commenced rollout of the solution across Germany and the annual subscription revenue commenced.

Financial review

Revenue
Revenue was up 7% to US$11.85m for the first half of 2015 (2014: US$11.08m).

License revenue increased by 22% to US$3.65m (2014: US$2.99m), this was mainly related to a key customer reaching an Enterprise License milestone which resulted in US$2.4m being recognised and new customers signing such as ptsb.

Maintenance revenue was up 19% to US$3.47m (2014: US$2.92m) which was due to the commencement of maintenance contracts for customers who have recently rolled out the software.

The reduction in the lower margin software development and consulting revenue by 6% to US$3.76m (2014: US$4.02m) was due to a major Asian based customer moving from service intensive development to being fully rolled out. This was offset by increases in contracts related to Enterprise Mobile software.

Support revenue was US$0.97m (US$1.15m in 2014) mainly due to Euro denominated revenue being translated at a lower foreign exchange rate.

Revenue breakdown

US$'m	H1 2015	H1 2014	% change	H1 2015 contribution to Group Revenue	H1 2014 contribution to Group Revenue
Software licenses	3.65	2.99	22%	31%	27%
Software development and consulting services	3.76	4.02	-6%	32%	36%
Maintenance	3.47	2.92	19%	29%	26%
Support	0.97	1.15	-15%	8%	10%
Total Revenue	**11.85**	**11.08**	**7%**	**100%**	**100%**

Gross profit
Gross profit for H1 2015 increased by 9.4% to US$7.66m compared to US$6.99m for 2014. The increase of US$0.67m was mainly due to higher license and maintenance revenue. The gross margin increased to 65% for 2015 (2014: 63%) due to a mix of revenue with a larger proportion of higher margin license and maintenance revenue and less low margin services revenue.

Operating expenses/profit
Operating expenses were reduced by 3% to US$6.08m (2014: US$6.30m). Research & development (R&D) increased by 11% to US$1.57m in 2015 (2014: US$1.41m). As a percentage of revenue, R&D spend remained the same at 13%.

Administrative expenses decreased to US$2.45m (2014: US$2.49m). Administrative expenses reduced by 2% on the prior year as a percentage of revenue. Sales and marketing expenses also reduced to US$2.06m (2014: US$2.40m).

Operating expenses

US$'m	H1 2015	H1 2014	% change	H1 2015 % of Revenue	H1 2014 % of Revenue
Research and development	1.57	1.41	11%	13%	13%
Sales and marketing	2.06	2.40	-14%	17%	22%
Administrative expenses	2.45	2.49	-2%	21%	22%
Total	**6.08**	**6.30**	**-3%**	**51%**	**57%**

The Group capitalised US$0.79m (2014: US$1.12m) of R&D costs. As core work on platform technology development progresses, Escher is capitalising less of its R&D costs and expects this trend to continue in H2 2015 and 2016. The highest level of capitalisation relates to the Enterprise Mobile solution which accounts for US$0.52m (2014: US$0.58m).

Net of amortisation of US$0.82m in 2015 (2014: US$0.52m) the impact on the income statement was a charge of US$0.03m (2014: credit of US$0.60m). R&D tax credits recognised in the first half of 2015 were US$0.27m (2014: US$0.35).

Capitalisation and amortisation movements

US$'m	H1 2015	H1 2014	% change
Additions			
RiposteTrEx	0.27	0.54	(0.27)
Enterprise mobile	0.52	0.58	(0.06)
Total capitalisation	**0.79**	**1.12**	**(0.33)**
Amortisation			
RiposteTrEx	(0.42)	(0.42)	0
Riposte	(0.40)	(0.10)	(0.30)
Total amortisation	**(0.82)**	**(0.52)**	**(0.30)**
Net (charge)/credit on the income statement	**(0.03)**	**0.60**	**(0.63)**

Reconciliation of operating profit to Adjusted EBITDA
Adjusted EBITDA represents operating profit before depreciation, amortisation and share based charges. Adjusted EBITDA was up 66% to US$2.68m (2014: US$1.61m). The increase was mainly due to the 7% increase in revenue and a 3% reduction in operating expenses, offset by a 3% increase in cost of sales. See below table.

US$'m	H1 2015	H1 2014	Change	% change
Operating profit	1.57	0.70	0.87	124%
Depreciation	0.19	0.25	-0.06	-24%
Amortisation	0.82	0.52	0.30	58%
EBITDA	**2.58**	**1.47**	**1.11**	**76%**
Share based payment	0.10	0.14	-0.04	-28%
Adjusted EBITDA	**2.68**	**1.61**	**1.07**	**66%**

Net finance costs
Net finance costs increased to US$0.31 (2014: US$0.28m) due to an increase in the level of bank debt versus June 2014. The amortisation of the finance costs related to the Bank of Ireland (BOI) loan facility remained at US$0.07m.

Profit before tax
Profit before tax was US$1.26m (2014: US$0.42m). Adjusted profit before tax, excluding share based payments was up 143% to US$1.36m (2014: US$0.56m).

Income tax expense
The effective tax rate was 40%, a reduction from the full year 2014 effective tax rate of 117% (H1 2014 30%).

Earnings per share
Basic EPS was US$4.0 cents per share (2014: US$1.6 cents per share). Diluted EPS was US$3.9 cents per share (2014: US$1.5 cents per share).

Dividend
The Board is not paying a half year dividend.

Cash flow and net debt
Net debt at the end of June was US$2.72m (December 2014: US$5.30m). Cash at the end June was US$7.78m (December 2014: US$5.72m) and borrowings were US$10.50m (December 2014: US$11.00m).

In H1 2015 the Group received a grant for the development of both its Enterprise Mobile software (US$0.11m; H1 2014 US$nil) and its *RiposteTrEx* (US$0.03m; H1 2014 US$0.25m) products.

Net debt reduced to US$2.72m from US$5.30m at the end of 2014 as the increase in revenue and strong customer receipts was translated into higher cash reserves. This was offset by a loan repayment of US$0.5m which was made in H1 2015 in accordance with the BOI facilities agreement. During the period, the revolving facility of US$3.0 was repaid and drawn down again.

Consolidated Income Statement
For the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 US$'000 (Unaudited)	Six months ended 30 June 2014 US$'000 (Unaudited)	Year ended 31 December 2014 US$'000 (Audited)
Revenue	5	11,850	11,075	21,147
Cost of sales		(4,195)	(4,087)	(8,223)
Gross profit		**7,655**	**6,988**	**12,924**
Operating expenses		(6,081)	(6,296)	(12,808)
Operating profit		**1,574**	**692**	**116**
Finance income		1	7	14
Finance costs		(314)	(281)	(600)
Net finance costs		**(313)**	**(274)**	**(586)**
Profit/(loss) before income tax		**1,261**	**418**	**(470)**
Income tax expense		(504)	(124)	(525)
Profit/(loss) for the period		**757**	**294**	**(995)**
Earnings per share (US$ cent per share)				
Basic	6	4.0	1.6	(5.3)
Diluted	6	3.9	1.5	(5.3)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June 2015 US$'000 (Unaudited)	Six months ended 30 June 2014 US$'000 (Unaudited)	Year ended 31 December 2014 US$'000 (Audited)
Profit/(loss) for the period	757	294	(995)
Other comprehensive income:			
Items that may subsequently be reclassified to the Income Statement:			
Currency translation differences	(459)	(21)	(932)
Total other comprehensive income	**(459)**	**(21)**	**(932)**
Total comprehensive income for the period	**298**	**273**	**(1,927)**

The notes on pages 12 to 18 form an integral part of these condensed consolidated interim financial statements

Consolidated Statement of Financial Position
As at 30 June 2015

	Notes	30 June 2015 US$'000 (Unaudited)	30 June 2014 US$'000 (Unaudited)	31 December 2014 US$'000 (Audited)
Assets				
Non-current assets				
Property, plant and equipment	7	528	869	722
Intangible assets	8	36,637	37,470	37,267
Deferred income tax assets		703	721	730
Total non-current assets		**37,868**	**39,060**	**38,719**
Current assets				
Cash and cash equivalents	9	7,776	4,961	5,720
Trade and other receivables		9,155	9,506	10,515
Total current assets		**16,931**	**14,467**	**16,235**
Total assets		**54,799**	**53,527**	**54,954**
Equity and liabilities				
Issued capital		128	128	128
Other reserves		909	2,043	1,268
Retained earnings		7,883	8,415	7,126
Share premium		26,909	26,899	26,909
Total equity		**35,829**	**37,485**	**35,431**
Non-current Liabilities				
Borrowings	9	6,332	7,200	6,766
Deferred income tax liabilities		49	635	49
Provisions for other liabilities and charges		22	24	23
Total non-current liabilities		**6,403**	**7,859**	**6,838**
Current liabilities				
Borrowings	9	3,866	865	3,866
Trade and other payables		7,600	7,239	8,091
Current income tax payable		1,101	79	728
Total current liabilities		**12,567**	**8,183**	**12,685**
Total liabilities		**18,970**	**16,042**	**19,523**
Total equity and liabilities		**54,799**	**53,527**	**54,954**

The notes on pages 12 to 18 form an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity
For the six months ended 30 June 2015

	Equity share capital	Share premium	Cumulative foreign translation reserve	Other reserves	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
(Unaudited)						
Balance at 1 January 2015	**128**	**26,909**	**(981)**	**2,249**	**7,126**	**35,431**
Profit for the financial period	-	-	-	-	757	757
Other comprehensive income	-	-	(459)	-	-	(459)
Share based payments	-	-	-	100	-	100
Balance at 30 June 2015	**128**	**26,909**	**(1,440)**	**2,349**	**7,883**	**35,829**
(Unaudited)						
Balance at 1 January 2014	**128**	**26,899**	**(49)**	**1,971**	**8,121**	**37,070**
Profit for the financial period	-	-	-	-	294	294
Other comprehensive income	-	-	(21)	-	-	(21)
Share based payments	-	-	-	142	-	142
Balance at 30 June 2014	**128**	**26,889**	**(70)**	**2,113**	**8,415**	**37,485**
Loss for the financial period	-	-	-	-	(1,289)	(1,289)
Other comprehensive income	-	-	(911)	-	-	(911)
Total comprehensive income	-	-	(911)	-	(1,289)	(2,200)
Share based payments	-	-	-	136	-	136
Shares issued under share options	-	10	-	-	-	10
Balance at 31 December 2014	**128**	**26,909**	**(981)**	**2,249**	**7,126**	**35,431**

The notes on pages 12 to 18 form an integral part of these condensed consolidated interim financial statements

Consolidated Statement of Cash Flows
For the six months ended 30 June 2015

	Note	Six months ended 30 June 2015 US$'000 (Unaudited)	Six months ended 30 June 2014 US$'000 (Unaudited)	Year ended 31 December 2014 US$'000 (Audited)
Cash flows from operating activities				
Cash generated from/(used in) operations	**11**	**3,816**	**(47)**	**(232)**
Interest received		1	2	3
Interest paid		(227)	(218)	(445)
Income taxes paid		(117)	(79)	(197)
R&D tax credit received		-	62	62
Net cash generated from/(used in) operating activities		**3,473**	**(280)**	**(809)**
Cash flows from investing activities				
Additions to intangible assets		(793)	(1,121)	(2,220)
Government grant		136	250	348
Additions to property, plant and equipment		(19)	(108)	(258)
Net cash used in investing activities		**(676)**	**(979)**	**(2,130)**
Cash flows from financing activities				
Proceeds from borrowings		3,000	-	3,000
Borrowing costs		(28)	-	-
Repayment of borrowings		(3,500)	(500)	(1,000)
Net cash(used in)/generated from financing activities		**(528)**	**(500)**	**2,000**
Net increase/(decrease) in cash and cash equivalents		**2,269**	**(1,759)**	**(939)**
Cash and cash equivalents at beginning of period		5,720	6,712	6,712
Foreign exchange adjustments		(213)	8	(53)
Net increase/(decrease) in cash and cash equivalents		2,269	(1,759)	(939)
Cash and cash equivalents at end of period		**7,776**	**4,961**	**5,720**

The notes on pages 12 to 18 form an integral part of these condensed consolidated interim financial statements

NOTES TO THE INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

1. General information

Escher Group Holdings plc and its wholly-owned subsidiaries (collectively the "Group") are a world-class provider of retail and message-based software 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 its offices in Ireland, the United States, Singapore, South Africa, and its branch in the United Kingdom.

The company was incorporated in the Republic of Ireland 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.

The company re-registered as a public limited company on 14 July 2011 and changed its name to Escher Group Holdings plc on that date. On 25 July 2011, the Group filed for an Initial Public Offering on the London Stock Exchange plc's AIM Market. Admission to AIM occurred on 8 August 2011.

The Company's registered office is 111 St Stephens Green, Dublin 2, Ireland.

2. Basis of preparation

The Group's condensed consolidated interim financial statements included in this report have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ('IAS 34') as adopted by the European Union. These condensed statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014 included in the Group's 2014 Annual Report which is available on the Group website www.eschergroup.com. The condensed consolidated interim financial statements presented do not constitute full statutory accounts. Full statutory accounts for the year ended 31 December 2014 will be filed with the Irish Registrar of Companies in due course. The Audit Report on those statutory accounts was unqualified.

The Group's condensed interim financial information for the six months ended 30 June 2015 and the comparative figures for the six months ended 30 June 2014 are unaudited. The financial information presented for the year ended 31 December 2014 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 2015 is included on pages 5 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 2014. The principal risks and uncertainties faced by the Group were outlined in our 2014 annual report. The annual report is available on Escher's website. The principal risks and uncertainties have remained substantially the same for the current period.

5. Segment information

In line with the requirements of IFRS 8, "Operating Segments", the Group has identified its Chief Operating Decision Maker (CODM) as the Board of the company. The Board reviews the Group's internal reporting in order to assess the performance of the Group and allocate resources. The Board considers the business from a product perspective and reviews working capital and overall statement of financial position performance on a Group wide basis. Consequently the Board determined there to be only one segment.

The Board assess the performance of the segment based primarily on measures of revenues, adjusted EBITDA and profit before tax. Adjusted EBITDA is used as it is an industry-wide standard and it is calculated using operating profit before non-cash share based charges, interest, tax, depreciation on property plant and equipment and amortisation of intangible assets. These revenues derive from the following main sources:

Analysis of revenue by category

	Six months ended 30 June 2015 US$'000 (Unaudited)	Six months ended 30 June 2014 US$'000 (Unaudited)	Year ended 31 December 2014 US$'000 (Audited)
Software licenses	3,645	2,990	5,231
Software development and consulting services	3,764	4,021	7,880
Maintenance	3,467	2,917	5,760
Support	974	1,147	2,276
Revenue	**11,850**	**11,075**	**21,147**

5. Segment information (continued)

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 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Audited)
UK and Ireland	1,199	249	858
Other Europe	2,570	2,380	4,956
North & Latin America	5,715	3,869	7,774
Asia-Pacific region	1,161	2,060	3,584
Africa & Middle East	1,205	2,517	3,975
Revenue	**11,850**	**11,075**	**21,147**

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 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	% (Unaudited)	% (Unaudited)	% (Audited)
Customer A (North & Latin America)	41%	29%	35%
Customer B (Asia-Pacific Region)	5%	15%	13%
Customer C (Africa & Middle East)	7%	10%	9%
% of total reported revenues	**53%**	**54%**	**57%**

The total of non-current assets other than deferred income tax assets located in the Republic of Ireland at 30 June 2015 is US$6.1m (Dec 2014: US$6.8m), and the total of non-current assets located in other countries is US$31.1m (Dec 2014: US$31.2m).

6. Earnings per share

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) 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/(loss) per share computations.

	Six Months ended 30 June 2015	Six Months ended 30 June 2014	Year ended 31 December 2014
	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Audited)
Profit/(loss) attributed to equity holder of the parent	757	294	(995)
Basic weighted number of shares	18,692,130	18,675,531	18,682,012
Dilutive potential ordinary shares:			
Convertible ordinary shares	484,972	488,198	-
Diluted weighted number of ordinary shares	19,177,102	19,163,729	18,682,012
Basic earnings/(loss) per share (in US$ cents per share)	4.0	1.6	(5.3)
Diluted earnings/(loss) per share (in US$ cents per share)	3.9	1.5	(5.3)

7. Property, plant and equipment

	30 June 2015	31 December 2014
	US$'000 (Unaudited)	US$'000 (Audited)
Net book value at beginning of the period	**722**	**1,013**
Additions	19	258
Depreciation	(193)	(519)
Exchange differences	(20)	(30)
Net book value at end of period	**528**	**722**

8. Intangible assets

At 30 June 2015	Goodwill	Other Intangible assets	Total Intangible assets
	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Unaudited)
Net book value at beginning of period	30,399	6,868	37,267
Additions	-	793	793
Government grants	-	(136)	(136)
Amortisation charge	-	(816)	(816)
Exchange differences	(471)	-	(471)
Net book value at end of period	**29,928**	**6,709**	**36,637**

At 31 December 2014	Goodwill	Other Intangible assets	Total Intangible assets
	US$'000 (Audited)	US$'000 (Audited)	US$'000 (Audited)
Net book value at beginning of period	31,114	5,878	36,992
Additions	-	2,220	2,220
Government grants	-	(72)	(72)
Amortisation charge	-	(1,153)	(1,153)
Exchange differences	(715)	(5)	(720)
Net book value at end of period	**30,399**	**6,868**	**37,267**

9. Analysis of net debt

	31 December 2014	Movement	30 June 2015
	US$'000 (Audited)	US$'000 (Unaudited)	US$'000 (Unaudited)
Cash and cash equivalents	**5,720**	**2,056**	**7,776**
Non-current borrowings	(6,766)	434	(6,332)
Deferred finance costs	(234)	66	(168)
Non-current borrowings	**(7,000)**	**500**	**(6,500)**
Current borrowings	(3,866)	-	(3,866)
Deferred finance costs	(134)	-	(134)
Current borrowings	**(4,000)**	**-**	**(4,000)**
Total borrowings	**(11,000)**	**500**	**(10,500)**
Net debt	**(5,280)**	**2,556**	**(2,724)**

10. Cash generated from operations

	Six Months ended 30 June 2015	Six Months ended 30 June 2014	Year ended 31 December 2014
	US$'000	US$'000	US$'000
	(Unaudited)	(Unaudited)	(Audited)
Profit/(loss) before tax	**1,261**	**418**	**(470)**
Adjustments for:			
Depreciation	193	251	519
Amortisation	816	519	1,153
Amortisation of deferred finance costs	66	66	137
Finance income	(1)	(7)	(14)
Finance expense	248	215	463
Foreign exchange translation	260	(22)	(283)
Employee share based payments	100	142	278
Decrease/(increase) in trade and other receivables	1,360	31	(1,050)
Decrease in trade and other payables	(487)	(1,660)	(965)
Cash generated from/(used in) operations	**3,816**	**(47)**	**(232)**

11. Post balance sheet events

There have been no material events subsequent to the period end, which have not been reflected in the interim financial information.

12. 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 2014.

13. Related party transactions

Details of related party transactions in respect of the year ended 31 December 2014 are contained in Note 24 to the consolidated financial statements of the Group's 2014 annual report. The Group continued to enter into transactions in the normal course of business with its associates and other related parties during the period. There were no transactions with related parties in the first half of 2015 or changes to transactions with related parties disclosed in the 2014 consolidated financial statements that had a material effect on the financial position or the performance of the Group.

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 Report

Copies of the interim financial statements are available from the Company at its office at 111 St Stephens Green, Dublin 2, Ireland. The interim financial information document will also be available on the Company's website www.eschergroup.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 14 September 2015.