

19 December 2014

ASX Announcement  
**ETHERSTACK PLC**  
[ASX:ESK]  
("Etherstack" or the "Company")

**Trading update - ESK Revenue Up 37%**

The Company is pleased to provide a trading update for the full year ending 31 December 2014 with the following highlights:

- Full year revenue is expected to exceed US\$7.1m, a 37% increase over 2013
- Strong second half revenues provided positive cashflows
- Cost reductions have continued. Reductions implemented in the course of 2013 have been realised in 2014. In addition the Group's cost base has been reduced by a further \$2.0 million (on an annualised basis) in 2014.
- Refinancing of maturing debt at a reduced interest cost

Subject to completion of the audit, full assessment of the amortisation charge on our intellectual property portfolio and an extraordinary charge of approximately US\$460,000 representing legal fees on the previously disclosed matter, the Company expects to report a positive EBITDA.

The Company expects a significantly improved NPAT figure over 2013 which will still be negative due to the aforementioned amortisation and extraordinary charge.

The Company has continued to see growth in our recurring revenues from both royalty and long term support agreements.

New product releases in Q1 are expected to assist in the Company's further revenue growth in 2015 and 2016 full years.

**About Etherstack plc (ASX:ESK):**

Etherstack is a wireless technology company specialising in licensing mission critical radio technologies to equipment manufacturers and network operators around the globe. With a particular focus in the public safety, defence, utilities, transportation and resource sectors, Etherstack's technology can be found in radio communications equipment used in the most demanding situations. The company has R&D facilities in London, Sydney, New York, Yokohama and Berlin.

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