

RS2 Software p.l.c.
COMPANY ANNOUNCEMENT

The following is a company announcement issued by RS2 Software p.l.c. pursuant to Malta Financial Services Authority Listing Rules - Chapter 8.

Quote

At the meeting held on the 18th August, 2009, the Board of Directors of RS2 Software p.l.c. approved the Half-Yearly Financial Statements for the period ended 30th June, 2009. A copy of the interim financial statements is attached to this announcement.

Unquote



Dr. Ivan Gatt
Company Secretary

19th August 2009



Condensed Interim Consolidated Financial Statements

**For the Period 1 January 2009 to
30 June 2009**

Company Registration Number: C 25829

RS2 Software p.l.c.

Condensed Interim Consolidated Financial Statements

For the Period 1 January 2009 to 30 June 2009

Contents

	Page
Directors' Report pursuant to Listing Rule 9.44k.2	1
Condensed Interim Consolidated Financial Statements:	
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Comprehensive Income	9
Condensed Consolidated Statement of Cash Flows	10
Notes to the Condensed Interim Consolidated Financial Statements	12
Statement pursuant to Listing Rule 9.44k.3	18

RS2 Software p.l.c.

Directors' Report pursuant to Listing Rule 9.44k.2

For the Six Months Ended 30 June 2009

This report is published in terms of Chapters 8 and 9 of the Listing Rules as prescribed by the Listing Authority in accordance with the provisions of the Financial Markets Act, 1990.

The condensed consolidated financial statements have been extracted from the Group's unaudited consolidated accounts for the six months ended 30 June 2009 and its comparative period in 2008. The comparative balance sheet has been extracted from the audited financial statements as at 31 December 2008. The condensed interim consolidated financial statements have been prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 Interim Financial Reporting). In terms of Listing Rule 9.44k.5, the directors state that the half-yearly financial report has not been audited or reviewed by the Group's independent auditors.

Principal activities

The Group is principally engaged in the development, installation, implementation and marketing of computer software for financial institutions.

Review of performance and business developments

Performance

During the first six months, the Group generated revenues of €2,685,283. This represents a reduction of 50% when compared to the same period last year. This reduction is a direct result of the timing and nature of the contracts achieved during the two periods, involving different accounting treatment. In 2008, the Group concluded two licence contracts in the first half of the year, while in 2009 the Group concluded two comprehensive package agreements, the first effective in June 2009, whilst the second contract will become effective in October 2009. In addition, as previously anticipated in light of the international economic conditions, the Group is experiencing a slow down in requests for services from its current customers.

Profit for the period amounts to €200,829, a reduction of 91% when compared to last year. Since the revenue mix has a significant impact on profit margins, the reduction of licence and service fees recognised during the period is a direct contributor to the decline in profit for the period. Nevertheless the reduction in licence fees is in line with the Group's strategy of engaging new clients on a comprehensive package basis, which instead of providing substantial licence fees and corresponding revenue recognition in the first year, smoothens the revenue stream over a longer term.

Business developments

The Group's plans of overseas expansion are progressing at a fast pace.

In April 2009, RS2 inaugurated the opening of its new subsidiary company in the Philippines, which will serve as a cost-effective support centre, as well as Group's base in Asia, which is considered as a key region with potential for expansion.

In June 2009, the Group acquired an investment in Transworks LLC, a company based in New York. This investment together with an investment already held by RS2 Software's parent company (ITM Holding Limited) in the same company will provide RS2 a foothold in the American market coupled with a sound partner relationship with industry executives in the region.

During the period, the Group invested heavily in new marketing initiatives by participation in major fairs in the cards industry, market research and advertising, thus making the BANKWORKS brand name more visible.

RS2 Software p.l.c.

Directors' Report pursuant to Listing Rule 9.44k.2

For the Six Months Ended 30 June 2009

Related party transactions

Consistent with what was reported in the financial statements for the year ended 31 December 2008, the Group had related party transactions with its parent company, other subsidiaries of the parent company and other entities in which the directors of the company, or their immediate relatives, have an ownership interest.

Transactions with each category of related parties and the balances outstanding at the end of the reporting periods are set out in note 10 of the Notes to the Condensed Interim Consolidated Financial Statements.

Dividends

At the Annual General Meeting held on 12 May 2009, the shareholders approved the declaration of a final dividend of €0.022 per share amounting to €825,000 which was paid on 19 May 2009.

These dividends were distributed from profits that have been relieved from tax by way of investment tax credits under the Business Promotion Act.

No interim dividends are being recommended.

Approved by the Board of Directors on 18 August 2009 and signed on its behalf by:



Reinhold Schäffter
Director



Mario Schembri
Director

RS2 Software p.l.c.

Condensed Consolidated Statement of Financial Position

As at 30 June 2009

		The Group		The Company	
		30.06.09 (Unaudited)	31.12.08 Audited	30.06.09 (Unaudited)	31.12.08 Audited
	Note	€	€	€	€
ASSETS					
Property, plant and equipment	5	3,787,953	3,566,154	3,616,161	3,566,154
Intangible assets	6	5,532,167	5,769,473	5,532,167	5,769,473
Investment in a subsidiary company	7	-	-	147,801	-
Investment in equity accounted investees	8	751,525	-	757,741	-
Other investments	9	1,244,592	-	1,455,879	-
Accrued income		579,896	765,758	579,896	765,758
		-----	-----	-----	-----
Total non-current assets		11,896,133	10,101,385	12,089,645	10,101,385
		-----	-----	-----	-----
Trade and other receivables		1,353,053	1,447,512	1,353,053	1,447,512
Receivables from group and other related entities		652,664	618,659	652,664	618,659
Prepayments and accrued income		1,447,278	1,919,786	1,447,278	1,919,786
Cash at bank and in hand		3,446,873	5,447,062	3,305,286	5,447,062
		-----	-----	-----	-----
Total current assets		6,899,868	9,433,019	6,758,281	9,433,019
		-----	-----	-----	-----
Total assets		18,796,001	19,534,404	18,847,926	19,534,404
		=====	=====	=====	=====

RS2 Software p.l.c.

Condensed Consolidated Statement of Financial Position

As at 30 June 2009

	The Group		The Company	
	30.06.09 (Unaudited)	31.12.08 Audited	30.06.09 (Unaudited)	31.12.08 Audited
	€	€	€	€
EQUITY				
Share capital	7,500,000	7,500,000	7,500,000	7,500,000
Reserves	2,787,274	2,878,552	2,794,334	2,878,552
Retained earnings	2,229,473	2,767,826	2,274,789	2,767,826
Total equity	12,516,747	13,146,378	12,569,123	13,146,378
LIABILITIES				
Bank borrowings	2,404,961	2,609,554	2,404,961	2,609,554
Deferred tax liabilities	114,733	319,058	114,733	319,058
Accruals	144,974	191,437	144,974	191,437
Total non-current liabilities	2,664,668	3,120,049	2,664,668	3,120,049
Bank borrowings	379,483	357,368	379,483	357,368
Trade and other payables	706,228	745,862	706,228	745,862
Accruals and deferred income	2,528,875	2,164,747	2,528,424	2,164,747
Total current liabilities	3,614,586	3,267,977	3,614,135	3,267,977
Total liabilities	6,279,254	6,388,026	6,278,803	6,388,026
Total equity and liabilities	18,796,001	19,534,404	18,847,926	19,534,404

The condensed interim financial statements on pages 3 to 17 were approved by the Board of Directors on 18 August 2009 and were signed on its behalf by:



Reinhold Schäffter
Director



Mario Schembri
Director

RS2 Software p.l.c.

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2009

The Group

Attributable to the owners of the company

	Share capital	Share premium	Revaluation reserve	Translation reserve	Fair value reserve	Other reserve	Retained earnings	Total
	€	€	€	€	€	€	€	€
Balance at 1 January 2008	1,615,345	-	319,956	-	-	1,732,792	4,528,265	8,196,358
Comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	2,352,613	2,352,613
Transactions with owners recorded directly in equity								
Interim dividend declared	-	-	-	-	-	-	(1,200,000)	(1,200,000)
Capitalisation of reserves	4,884,655	-	(319,956)	-	-	(1,732,792)	(2,831,907)	-
Issue of share capital	1,000,000	3,000,000	-	-	-	-	-	4,000,000
Transaction costs	-	(157,863)	-	-	-	-	-	(157,863)
Transfer from retained earnings:								
Unrealised gains	-	-	-	-	-	18,731	(18,731)	-
Total transactions with owners	5,884,655	2,842,137	(319,956)	-	-	(1,714,061)	(4,050,638)	2,642,137
Balance at 30 June 2008	7,500,000	2,842,137	-	-	-	18,731	2,830,240	13,191,108

RS2 Software p.l.c.

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2009

The Group

Attributable to the owners of the company

	Share capital	Share premium	Revaluation reserve	Translation reserve	Fair value reserve	Other reserve	Retained earnings	Total
	€	€	€	€	€	€	€	€
Balance at 1 January 2009	7,500,000	2,792,734	-	-	-	85,818	2,767,826	13,146,378
Comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	200,829	200,829
Other comprehensive income								
Foreign currency translation difference	-	-	-	(7,060)	-	-	-	(7,060)
Net change in fair value of available-for-sale financial assets	-	-	-	-	1,600	-	-	1,600
Total other comprehensive income	-	-	-	(7,060)	1,600	-	-	(5,460)
Transactions with owners recorded directly in equity								
Final dividend declared	-	-	-	-	-	-	(825,000)	(825,000)
Transfer to retained earnings: Unrealised gains	-	-	-	-	-	(85,818)	85,818	-
	-	-	-	-	-	(85,818)	(739,182)	(825,000)
Balance at 30 June 2009	7,500,000	2,792,734	-	(7,060)	1,600	-	2,229,473	12,516,747

RS2 Software p.l.c.

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2009

The Company

Attributable to the owners of the company

Note	Share capital	Share premium	Revaluation reserve	Translation reserve	Fair value reserve	Other reserve	Retained earnings	Total
	€	€	€	€	€	€	€	€
Balance at 1 January 2008	1,615,345	-	319,956	-	-	1,732,792	4,528,265	8,196,358
Comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	2,352,613	2,352,613
Transactions with owners recorded directly in equity								
Interim dividend declared	-	-	-	-	-	-	(1,200,000)	(1,200,000)
Capitalisation of reserves	4,884,655	-	(319,956)	-	-	(1,732,792)	(2,831,907)	-
Issue of share capital	1,000,000	3,000,000	-	-	-	-	-	4,000,000
Transaction costs	-	(157,863)	-	-	-	-	-	(157,863)
Transfer from retained earnings:								
Unrealised gains	-	-	-	-	-	18,731	(18,731)	-
Total transactions with owners	5,884,655	2,842,137	(319,956)	-	-	(1,714,061)	(4,050,638)	2,642,137
Balance at 30 June 2008	7,500,000	2,842,137	-	-	-	18,731	2,830,240	13,191,108

RS2 Software p.l.c.

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2009

The Company

Attributable to the owners of the company

Note	Share capital	Share premium	Revaluation reserve	Translation reserve	Fair value reserve	Other reserve	Retained earnings	Total
	€	€	€	€	€	€	€	€
Balance at 1 January 2009	7,500,000	2,792,734	-	-	-	85,818	2,767,826	13,146,378
Comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	246,145	246,145
Other comprehensive income								
Net change in fair value of available-for-sale financial assets	-	-	-	-	1,600	-	-	1,600
Transactions with owners recorded directly in equity								
Final dividend declared	-	-	-	-	-	-	(825,000)	(825,000)
Transfer to retained earnings: Unrealised gains	-	-	-	-	-	(85,818)	85,818	-
	-	-	-	-	-	(85,818)	(739,182)	(825,000)
Balance at 30 June 2009	7,500,000	2,792,734	-	-	1,600	-	2,274,789	12,569,123

RS2 Software p.l.c.

Condensed Consolidated Statement of Comprehensive Income

For the Six Months ended 30 June 2009

	Note	The Group		The Company	
		30.06.09	30.06.08	30.06.09	30.06.08
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		€	€	€	€
CONTINUING OPERATIONS					
Revenue		2,685,283	5,330,722	2,685,283	5,330,722
Cost of sales		(2,229,104)	(1,993,304)	(2,228,476)	(1,993,304)
Gross profit		456,179	3,337,418	456,807	3,337,418
Other income		8,948	-	8,948	-
Marketing and promotional expenses		(222,081)	(54,841)	(222,081)	(54,841)
Administrative expenses		(366,084)	(387,040)	(351,370)	(387,040)
Capitalised development costs		112,598	45,651	112,598	45,651
Other expenses		(29,581)	(250,699)	(5,823)	(250,699)
Results from operating activities		(40,021)	2,690,489	(921)	2,690,489
Finance income		60,362	26,452	60,362	26,452
Finance expenses		(11,622)	(98,288)	(11,622)	(98,288)
Net finance income/(expense)		48,740	(71,836)	48,740	(71,836)
Share of loss of equity accounted investees	8	(6,216)	-	-	-
Profit before income tax		2,503	2,618,653	47,819	2,618,653
Income tax credit/(expense)		198,326	(266,040)	198,326	(266,040)
Profit for the period attributable to the owners of the company		200,829	2,352,613	246,145	2,352,613
Other comprehensive income					
Foreign currency translation differences for foreign operations		(7,060)	-	-	-
Net change in fair value of available-for-sale financial assets		1,600	-	1,600	-
Total comprehensive income for the period attributable to the owners of the company		195,369	2,352,613	247,745	2,352,613
Earnings per share		€0.005	€0.072	€0.007	€ 0.072

RS2 Software p.l.c.

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2009

	Note	The Group		The Company	
		30.06.09	30.06.08	30.06.09	30.06.08
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		€	€	€	€
Cash flows from operating activities					
Profit for the period		200,829	2,352,613	246,145	2,352,613
Adjustments for:					
Depreciation		24,704	24,083	24,704	24,083
Amortisation of intangible assets		349,900	343,588	349,900	343,588
Capitalised development costs	6	(112,598)	(45,651)	(112,598)	(45,651)
Impairment losses on trade receivables		3,000	196,224	3,000	196,224
Interest payable		14	313	14	313
Interest receivable		(39,096)	(7,721)	(39,096)	(7,721)
Unwinding of amortisation on accrued income		(21,266)	-	(21,266)	-
Share of loss of equity accounted investees		6,216	-	-	-
Unwinding of amortisation on accrued expenses		5,321	-	5,321	-
Income tax		(198,326)	266,040	(198,326)	266,040
Provision for exchange fluctuations		5,863	3,434	5,863	3,434
		224,561	3,132,923	263,661	3,132,923
Change in trade and other receivables		764,486	(2,553,622)	764,486	(2,553,622)
Change in trade and other payables		377,316	753,544	376,865	753,544
Change in parent company's balance		(180,577)	(430,731)	(180,577)	(430,731)
Change in group entities' balances		-	365,090	-	365,090
Change in other related entities' balances		49,543	-	49,543	-
		1,235,329	1,267,204	1,273,978	1,267,204
Cash generated from operating activities		1,235,329	1,267,204	1,273,978	1,267,204
Interest paid		(14)	(313)	(14)	(313)
Interest received		35,316	4,812	35,316	4,812
Income tax paid		(5,999)	(4,371)	(5,999)	(4,371)
		1,264,632	1,267,332	1,303,281	1,267,332
Cash flows from investing activities					
Acquisition of property, plant and equipment		(184,398)	(34,355)	(12,606)	(34,355)
Investment in subsidiary company		-	-	(147,801)	-
Investment in associate company		(757,741)	-	(757,741)	-
Acquisition of other investments		(1,218,978)	-	(1,218,978)	-
Advances to subsidiary company		-	-	(211,287)	-
Advances to other related entities		(24,014)	-	(24,014)	-
Deposit on account of acquisition of property, plant and equipment		-	(358,724)	-	(358,724)
Expenses paid by company on behalf of parent company	10	-	(54,512)	-	(54,512)
Loan repayments on behalf of parent company	10	-	(590,000)	-	(590,000)
Payments on behalf of group companies	10	-	(365,090)	-	(365,090)
Receipts by parent company on behalf of company	10	-	(6,757)	-	(6,757)
		(2,185,131)	(1,409,438)	(2,372,427)	(1,409,438)
Net cash used in investing activities		(2,185,131)	(1,409,438)	(2,372,427)	(1,409,438)

RS2 Software p.l.c.

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2009

	The Group		The Company	
	30.06.09 (Unaudited)	30.06.08 (Unaudited)	30.06.09 (Unaudited)	30.06.08 (Unaudited)
	€	€	€	€
Cash flows from financing activities				
Proceeds from issue of share capital	-	4,000,000	-	4,000,000
Transaction costs on issue of shares	-	(101,633)	-	(101,633)
Dividends paid	(825,000)	(364,663)	(825,000)	(364,663)
Repayments of bank borrowings	(244,590)	-	(244,590)	-
Net cash (used in)/from financing activities	(1,069,590)	3,533,704	(1,069,590)	3,533,704
Net (decrease)/ increase in cash and cash equivalents	(1,990,089)	3,391,598	(2,138,736)	3,391,598
Cash and cash equivalents at 1 January	5,447,062	1,008,152	5,447,062	1,008,152
Effect of exchange rate fluctuations on cash held	(10,100)	18,731	(3,040)	18,731
Cash and cash equivalents at 31 December	3,446,873	4,418,481	3,305,286	4,418,481

RS2 Software p.l.c.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended 30 June 2009

1 Reporting entity

RS2 Software p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta. The condensed interim consolidated financial statements of the Company as at and for 30 June 2009 comprise the Company and its subsidiary (together referred to as the "Group" and the Group's interest in an associate company).

2 Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU for interim financial statements (EU adopted IAS 34 *Interim Financial Reporting*).

The interim consolidated financial statements do not include all information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2008.

3 New standard adopted

The Group applies revised IAS 1 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Group presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

4 Significant accounting policies

The accounting policies applied by the Group in these condensed interim consolidated financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 31 December 2008.

Following new transactions entered into by the Group, the following new accounting policies have been adopted.

4.1.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

RS2 Software p.l.c.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended 30 June 2009

4 Significant accounting policies (continued)

4.1.2 *Investment in associates (equity accounted investees)*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist where the Group holds between 20 to 50 percent of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements includes the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

4.1.3 *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4.1.4 *Foreign operations*

The assets and liabilities of foreign operations are translated to the functional currency (€) at the reporting date. The income and expenses of foreign operations are translated to the functional currency (€) at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve.

5 Property, plant and equipment

During the six months ended 30 June 2009, the Group acquired assets with a cost of €246,503 (six months ended 30 June 2008: €58,873).

6 Intangible assets

During the six months ended 30 June 2009, the Group capitalised expenditure on the development of computer software amounting to €112,598 (six months ended 30 June 2008: €45,651).

RS2 Software p.l.c.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended 30 June 2009

7 Investment in subsidiary company

7.1	The Group		The Company	
	30.06.09 (Unaudited)	31.12.08 Audited	30.06.09 (Unaudited)	31.12.08 Audited
	€	€	€	€
Investment in subsidiary company	-	-	147,801	-

7.2 On 17 June 2009, the Company subscribed to and was allotted 95,183 shares in RS2 Software Asia (Philippines) Inc., a company registered in the Republic of the Philippines, representing 99.99% of the share capital of the company.

	Company's Interest	Paid-up	30.06.09 Cost	31.12.08 Cost
			€	€
RS2 Software Asia (Philippines) Inc. 95,183 Ordinary Shares of Php100 each	99.99%	100%	147,801	-

8 Investment in equity accounted investees

8.1	The Group		The Company	
	30.06.09 (Unaudited)	31.12.08 Audited	30.06.09 (Unaudited)	31.12.08 Audited
	€	€	€	€
Investment in associate company	751,525	-	757,741	-

8.2 On 12 June 2009, the Company acquired 260 units in Transworks LLC, a company registered in the State of Delaware, USA, representing 26% of the share capital of the Company.

	Company's Interest	Paid-up	30.06.09 Cost	31.12.08 Cost
			€	€
Transworks LLC 260 units of Usd 4,000 each	26%	100%	757,741	-

RS2 Software p.l.c.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended 30 June 2009

8.3 The Group's share of loss in associate company for the period was €6,216 (2008: Nil).

Summary financial information for the associate company, not adjusted for the percentage ownership by the Group:

	30.06.09
	€
Total assets	483,395
Total liabilities	252,736
Revenues	-
Loss for the period	(23,907)

9 Other investments

	The Group		The Company	
	30.06.09 (Unaudited)	31.12.08 Audited	30.06.09 (Unaudited)	31.12.08 Audited
	€	€	€	€
Available-for-sale financial assets	1,220,578	-	1,220,578	-
Loans and receivables	24,014	-	235,301	-
	-----		-----	
	1,244,592	-	1,455,879	-
	=====		=====	

Interest-bearing available-for-sale financial assets with a carrying of €1,001,600 at 30 June 2009 (2008: Nil) have stated interest rates of 3.6% and mature within 4 years.

Loans and receivables are unsecured, interest free and repayable after 12 months.

RS2 Software p.l.c.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended 30 June 2009

10 Related parties

10.1 Related party transactions

Consistent with what was reported in the financial statements for the year ended 31 December 2008, the Group had the following the transactions with related parties:

	The Group		The Company	
	30.06.09 (Unaudited)	30.06.08 (Unaudited)	30.06.09 (Unaudited)	30.06.08 (Unaudited)
	€	€	€	€
Parent company				
Payment of expenses on behalf of	1,803	54,512	1,803	54,512
Repayment of shareholder loan on behalf of	-	250,000	-	250,000
Loan repayments on behalf of	-	340,000	-	340,000
Assignment of receivables to	187,491	365,000	187,491	365,090
Receipts on receivable from	-	300,000	-	300,000
Assignment of payables to	8,718	-	8,718	-
Receipts on behalf of the company by	-	6,757	-	6,757
Dividend payable to	485,650	1,092,000	485,650	1,092,000
Set-off of dividend payable against balance receivable from	-	1,026,359	-	1,026,359
Dividend paid	485,650	44,377	485,650	44,377
	=====	=====	=====	=====
Group undertakings				
Payment of expenses on behalf of	-	365,090	-	365,090
Assignment to parent company of receivables from	-	365,090	-	365,090
Advances to	-	-	211,287	-
	=====	=====	=====	=====
Other related entities				
Services provided to	21,880	248,823	21,880	248,823
Services provided by	492,001	572,809	492,001	572,809
Payments for services provided to	-	171,046	-	171,046
Payments for services provided by	420,580	461,592	420,580	461,592
Services not yet invoiced provided by	237,600	67,680	237,600	67,680
Advances to	24,014	-	24,014	-
	=====	=====	=====	=====

All transactions entered into with related parties have been accounted for at fair and reasonable prices.

RS2 Software p.l.c.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended 30 June 2009

10 Related parties (continued)

10.2 Related party balances

	The Group		The Company	
	30.06.09 (Unaudited)	31.12.08 Audited	30.06.09 (Unaudited)	31.12.08 Audited
	€	€	€	€
Amounts receivable				
Amounts owed by parent company	82,662		82,662	-
Trade receivables owed by other related entities	570,002	618,659	570,002	618,659
Accrued income owed by other related entities	300,000	300,000	300,000	300,000
Amounts owed by subsidiary company	-	-	211,287	-
Amounts owed by other related entities	24,014	-	24,014	-
	=====	=====	=====	=====
Amounts payable				
Dividends payable to parent	-	97,915	-	97,915
Trade payables due to other related entities	47,392	46,505	47,392	46,505
Accrued expenses due to other related entities	238,992	248,550	238,992	248,550
	=====	=====	=====	=====

RS2 Software p.l.c.

Statement pursuant to Listing Rule 9.44k.3 issued by the Listing Authority

We confirm that to the best of our knowledge:

- the condensed interim consolidated financial statements which have been prepared in compliance with International Financial Reporting Standards as adopted by the EU for interim financial statements (EU adopted IAS 34, *Interim Financial Statements*), give a true and fair view of the financial position of the Group as at 30 June 2009, as well as the financial performance and cash flows for the period ended 30 June 2009; and
- the interim Directors' report includes a fair review of the information required in terms of Listing Rule 9.44k.2.



Reinhold Schäffter
Director



Mario Schembri
Director