

RS2 Software p.l.c.
COMPANY ANNOUNCEMENT

The following is a company announcement issued by RS2 Software p.l.c. in compliance with Chapter 9 of the Listing Rules.

Quote

Revenue from the two Comprehensive Package Agreements signed earlier this year started taking their full effect during the second half of 2009. This is however being offset by reductions in requests for services from existing clients who, under the prevailing economic conditions were increasingly more conservative in their spending. We believe that this cautious approach may persist for the short term and it will take some time before the previous momentum is regained.

Profitability for the second half of the year is expected to remain on the same levels as for the first half. Nevertheless, Comprehensive Package and Maintenance Agreements provide regular revenue streams to allow the group the necessary resilience to sustain this slowdown period.

RS2 Group continues to enjoy sound working relationships with its key clients, and despite the current slowdown, there have been no defaults by any of its clients. Negotiations with prospective clients continue with encouraging prospects. The Group is pleased to note that its marketing efforts are generating positive reactions from the market and general interest in its software platform.

Following the successful set up of its Jordan office as a regional office servicing its client base in the Middle East, the Group has now also started operations from its newly established subsidiary in the Philippines, acting as a support centre while providing RS2 with a presence in the Asian market.

Unquote



Dr. Ivan Gatt
Company Secretary

18 November 2009