

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

The Company started 2010 on a positive note with the conclusion of a licence contract with a new client. The implementation process is already underway, with the client expected to go live and process its first transactions towards the fourth quarter of this year.

Requests for services from existing clients during the first half of the year have remained at the same level as those for 2009, however the Company has been informed by one of its major clients that they intend to migrate all their operations onto the BANKWORKS platform. The effect of this decision cannot be quantified at this stage, however we are already experiencing increased levels of activity with this particular client.

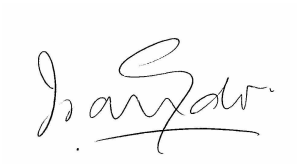
Performance for the first half of the year is expected to show some improvements when compared to the same period last year, however we retain our cautious approach and reiterate the slowdown effect experienced during 2009 is expected to persist throughout most of the current year.

On the strategic side, the Company continued to invest in marketing the BANKWORKS in the United States of America highlighting the products multi-institutional and processing capabilities. The participation in the Electronic Transactions Association expo for the second consecutive year was a key element in this new marketing initiative and complements the Company's participation in Transworks LLC., our New York based subsidiary specialising in electronic transaction processing.

Through its investment in Transworks, the Company is now in a position to expand its operational base, beyond the present licensing and service operation, to include processing services in its product offering, thus giving RS2 a further competitive edge over other providers in the industry.

The expansion process also moved forward with the further development of RS2 Software Asia (Philippines), Inc. This Philippine subsidiary has by now taken over the role of a key support centre servicing the Malta development centre and its clients. A 24/7 service has also been set up complementing the services offered by the centre in Malta. Using its Philippine office as a base in South East Asia, the Company aims to expand its client base to this region, which so far had remained unexploited. The planned client expansion in South East Asia will be serviced by the Philippine office and supported by RS2's offices in Malta and Germany.

Unquote



Dr. Ivan Gatt

Company Secretary