

**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 10 August, 2010 the Board of Directors of RS2 Software p.l.c. approved the interim financial statements for the period ended 30 June 2010. A copy of the interim financial statements is attached to this announcement.

The interim financial statements are available for viewing and download at the company's website [www.rs2.com](http://www.rs2.com), and can also be viewed at the company's registered office.

**Unquote**



Dr Ivan Gatt  
Company Secretary  
10th August, 2010



## **Condensed Interim Financial Statements**

**For the Period 1 January 2010 to  
30 June 2010**

# RS2 Software p.l.c..

## Condensed Interim Financial Statements

For the Period 1 January 2010 to 30 June 2010

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# RS2 Software p.l.c..

## Condensed Interim Financial Statements

For the Period 1 January 2010 to 30 June 2010

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*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 financial statements have been extracted from the Group's unaudited consolidated accounts for the six months ended 30 June 2010 and its comparative period in 2009. The comparative balance sheet has been extracted from the audited financial statements as at 31 December 2009. The condensed interim 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 specialised computer software for financial institutions, under the trade mark of BANKWORKS. During 2009, the Group expanded its operations to include processing of payment transactions with the use of BANKWORKS.

### Review of performance and business developments

Notwithstanding the recent and ongoing instability in the global market, RS2 has slightly improved its performance over last year. During the first six months of 2010, the Company has managed to further increase its client base and saw a general improvement in the extent of services requested by our clients. Total revenues generated by the Company amounts to €2,839,592, representing an increase of 6% over the same period of last year. Profitability has also improved with profit for the period amounting to €325,737, representing a 32% increase over 2009. Net profit margin after taxation reached 11%, compared to 9% in 2009.

Since June 2009, the Group has continued to strengthen its presence in the United States through its subsidiary, Transworks. The subsidiary is still in its early years and actively working to secure new business. This has reduced the Group's profitability to €137,555 from the Company's overall profit for the period of €325,737. EBIDTA and earnings per share for the Group stood at €471,207 and €0.008 respectively, when compared to EBIDTA of €593,415 and earnings per share of €0.009 for the Company.

Through its marketing efforts overseas and continued investments in subsidiaries, banks in various regions are showing positive interest in BANKWORKS with prospective clients in the pipeline. The board of directors shall continue in its efforts to market its product and services through its subsidiaries.

Although we remain cautious in our expectations, we are confident that this level of performance can be maintained throughout 2010.

# RS2 Software p.l.c..

## Condensed Interim Financial Statements

For the Period 1 January 2010 to 30 June 2010

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### Related party transactions

Similar to what was reported in the financial statements for the year ended 31 December 2009, the Group had related party transactions with its 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 7 of the Notes to the Condensed Interim Financial Statements.

### Dividends

At the Annual General Meeting held on 14 June 2010, the shareholders approved the declaration of a final dividend of €0.022 per share amounting to €825,000 which was paid on 15 June 2010.

These dividends were distributed from profits that have been relieved from tax by way of investment tax credits under the Business Promotion Act. In accordance with Article 9(1) of the Business Promotion Act, such dividends are exempt from tax in the hands of the shareholders of the Company.

No interim dividends are being recommended.

Approved by the Board of Directors on 10 August 2010 and signed on its behalf by:



Reinhold Schäffter  
Chairman



Mario Schembri  
Director

# RS2 Software p.l.c.

## Condensed Statements of Financial Position

As at 30 June 2010

	Note	The Group		The Company	
		30.06.10	31.12.09	30.06.10	31.12.09
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		€	€	€	€
<b>Assets</b>					
Property, plant and equipment	5	<b>3,977,813</b>	3,920,437	<b>3,735,128</b>	3,675,504
Intangible assets	6	<b>6,566,529</b>	6,582,176	<b>5,043,221</b>	5,284,629
Deferred tax assets		<b>203,324</b>	139,059	<b>203,324</b>	139,059
Investments in subsidiaries		-	-	<b>905,542</b>	905,542
Other investment		<b>218,978</b>	218,978	<b>218,978</b>	218,978
Loan receivable from other related party		<b>22,777</b>	22,274	<b>22,777</b>	22,274
Accrued income		<b>197,091</b>	390,365	<b>197,091</b>	390,365
<b>Total non-current assets</b>		<b>11,186,512</b>	11,273,289	<b>10,326,061</b>	10,636,351
Trade and other receivables		<b>2,354,990</b>	1,536,867	<b>2,346,110</b>	1,530,820
Loans and receivables from related parties		<b>703,993</b>	723,708	<b>1,162,325</b>	1,052,210
Prepayments		<b>128,426</b>	196,576	<b>110,740</b>	182,823
Accrued income		<b>2,133,786</b>	2,182,900	<b>2,133,786</b>	2,182,900
Other Investments		<b>3,185,773</b>	3,141,209	<b>3,185,773</b>	3,141,209
Cash at bank and in hand		<b>549,949</b>	1,452,020	<b>495,202</b>	1,349,342
<b>Total current assets</b>		<b>9,056,917</b>	9,233,280	<b>9,433,936</b>	9,439,304
<b>Total assets</b>		<b>20,243,429</b>	20,506,569	<b>19,759,997</b>	20,075,655

# RS2 Software p.l.c.

## Condensed Statements of Financial Position

As at 30 June 2010

	The Group		The Company	
	30.06.10 (Unaudited)	31.12.09 (Audited)	30.06.10 (Unaudited)	31.12.09 (Audited)
	€	€	€	€
<b>Equity</b>				
Share capital	7,500,000	7,500,000	7,500,000	7,500,000
Reserves	3,146,827	2,855,010	3,056,567	2,920,611
Retained earnings	2,337,991	2,967,675	2,454,257	3,044,912
<b>Total equity attributable to equity holders of the Company</b>	<b>12,984,818</b>	<b>13,322,685</b>	<b>13,010,824</b>	<b>13,465,523</b>
Non-controlling interest	351,102	436,443	-	-
<b>Total equity</b>	<b>13,335,920</b>	<b>13,759,128</b>	<b>13,010,824</b>	<b>13,465,523</b>
<b>Liabilities</b>				
Bank borrowings	2,012,415	2,210,503	2,012,415	2,210,503
Finance lease obligations	28,011	69,839	-	-
Accruals	49,273	97,591	49,273	97,591
<b>Total non-current liabilities</b>	<b>2,089,699</b>	<b>2,377,933</b>	<b>2,061,688</b>	<b>2,308,094</b>
Bank borrowings	395,601	387,468	395,601	387,468
Finance lease obligations	105,342	85,376	-	-
Trade and other payables	1,422,304	1,507,113	1,368,906	1,466,945
Accruals	1,849,090	1,549,360	1,877,505	1,607,434
Deferred income	1,045,473	840,191	1,045,473	840,191
<b>Total current liabilities</b>	<b>4,817,810</b>	<b>4,369,508</b>	<b>4,687,485</b>	<b>4,302,038</b>
<b>Total liabilities</b>	<b>6,907,509</b>	<b>6,747,441</b>	<b>6,749,173</b>	<b>6,610,132</b>
<b>Total equity and liabilities</b>	<b>20,243,429</b>	<b>20,506,569</b>	<b>19,759,997</b>	<b>20,075,655</b>

The condensed interim financial statements on pages 3 to 13 were approved by the Board of Directors on 10 August 2010 and were signed on its behalf by:



Reinhold Schäffter  
Chairman



Mario Schembri  
Director

# RS2 Software p.l.c.

## Condensed Statements of Changes in Equity

For the six months ended 30 June 2010

### THE GROUP

	Attributable to equity holders of the Company						Total	Non-controlling interest	Total equity
	Share capital	Share premium	Translation reserve	Fair value reserve	Statutory reserve	Retained earnings			
	€	€	€	€	€	€	€	€	
Balance at 1 January 2009	7,500,000	2,792,734	-	-	85,818	2,767,826	13,146,378	-	13,146,378
Equity attributable to non-controlling interest upon business combination	-	-	-	-	-	-	-	612,045	612,045
<b>Comprehensive income for the period</b>									
Profit or loss	-	-	-	-	-	202,831	202,831	(13,664)	189,167
<b>Other comprehensive income</b>									
Foreign currency translation differences	-	-	(28,185)	-	-	-	(28,185)	(17,553)	(45,738)
Net changes in fair value of available-for-sale financial assets	-	-	-	1,600	-	-	1,600	-	1,600
Total other comprehensive income for the period	-	-	(28,185)	1,600	-	-	(26,585)	(17,553)	(44,138)
Total comprehensive income for the period	-	-	(28,185)	1,600	-	202,831	176,246	(31,217)	145,029
<b>Transactions with owners recorded directly in equity</b>									
Dividend to equity holders	-	-	-	-	-	(825,000)	(825,000)	-	(825,000)
Transfer to retained earnings: Unrealised gains	-	-	-	-	(85,818)	85,818	-	-	-
<b>Balance at 30 June 2009</b>	<b>7,500,000</b>	<b>2,792,734</b>	<b>(28,185)</b>	<b>1,600</b>	<b>-</b>	<b>2,231,475</b>	<b>12,497,624</b>	<b>580,828</b>	<b>13,078,452</b>
Balance at 1 January 2010	7,500,000	2,792,734	(65,601)	41,209	86,668	2,967,675	13,322,685	436,443	13,759,128
<b>Comprehensive income for the period</b>									
Profit or loss	-	-	-	-	-	286,708	286,708	(149,153)	137,555
<b>Other comprehensive income</b>									
Foreign currency translation differences	-	-	155,861	-	-	-	155,861	63,812	219,673
Net changes in fair value of available-for-sale financial assets	-	-	-	44,564	-	-	44,564	-	44,564
Total other comprehensive income for the period	-	-	155,861	44,564	-	-	200,425	63,812	264,237
Total comprehensive income for the period	-	-	155,861	44,564	-	286,708	487,133	(85,341)	401,792
<b>Transactions with owners recorded directly in equity</b>									
Dividend to equity holders	-	-	-	-	-	(825,000)	(825,000)	-	(825,000)
Transfer from retained earnings: Unrealised gains	-	-	-	-	91,392	(91,392)	-	-	-
<b>Balance at 30 June 2010</b>	<b>7,500,000</b>	<b>2,792,734</b>	<b>90,260</b>	<b>85,773</b>	<b>178,060</b>	<b>2,337,991</b>	<b>12,984,818</b>	<b>351,102</b>	<b>13,335,920</b>



# RS2 Software p.l.c.

## Condensed Statement of Changes in Equity

For the six months ended 30 June 2010

### THE COMPANY

	Share capital €	Share premium €	Fair value reserve €	Statutory reserve €	Retained earnings €	Total €
Balance at 1 January 2009	7,500,000	2,792,734	-	85,818	2,767,826	13,146,378
<b>Comprehensive income for the period</b>						
Profit or loss	-	-	-	-	246,145	246,145
<b>Other comprehensive income</b>						
Net changes in fair value of available-for-sale financial assets	-	-	1,600	-	-	1,600
Total comprehensive income for the period	-	-	1,600	-	246,145	247,745
<b>Transactions with owners recorded directly in equity</b>						
Dividend to equity holders	-	-	-	-	(825,000)	(825,000)
Transfer to retained earnings: Unrealised gains	-	-	-	(85,818)	85,818	-
<b>Balance at 30 June 2009</b>	<b>7,500,000</b>	<b>2,792,734</b>	<b>1,600</b>	<b>-</b>	<b>2,274,789</b>	<b>12,569,123</b>
Balance at 1 January 2010	7,500,000	2,792,734	41,209	86,668	3,044,912	13,465,523
<b>Comprehensive income for the period</b>						
Profit or loss	-	-	-	-	325,737	325,737
<b>Other comprehensive income</b>						
Net changes in fair value of available-for-sale financial assets	-	-	44,564	-	-	44,564
Total comprehensive income for the period	-	-	44,564	-	325,737	370,301
<b>Transactions with owners recorded directly in equity</b>						
Dividend to equity holders	-	-	-	-	(825,000)	(825,000)
Transfer from retained earnings: Unrealised gains	-	-	-	91,392	(91,392)	-
<b>Balance at 30 June 2010</b>	<b>7,500,000</b>	<b>2,792,734</b>	<b>85,773</b>	<b>178,060</b>	<b>2,454,257</b>	<b>13,010,824</b>

# RS2 Software p.l.c.

## Condensed Statements of Comprehensive Income

For the six months ended 30 June 2010

	The Group		The Company	
	30.06.10 (Unaudited)	30.06.09 (Unaudited)	30.06.10 (Unaudited)	30.06.09 (Unaudited)
	€	€	€	€
<b>Continuing Operations</b>				
Revenue	2,839,592	2,685,283	2,839,592	2,685,283
Cost of Sales	(2,266,414)	(2,244,663)	(2,193,580)	(2,228,476)
<b>Gross Profit</b>	<b>573,178</b>	440,620	<b>646,012</b>	456,807
Other income	120,395	8,948	111,847	8,948
Marketing and promotional expenses	(282,476)	(222,081)	(278,141)	(222,081)
Administrative expenses	(464,085)	(367,638)	(382,396)	(351,370)
Capitalised development costs	116,018	112,598	116,018	112,598
Other operating expenses	(15,467)	(30,346)	-	(5,823)
<b>Results from operating activities</b>	<b>47,563</b>	(57,899)	<b>213,340</b>	(921)
Finance income	44,758	60,362	57,158	60,362
Finance expenses	(14,266)	(11,622)	(4,275)	(11,622)
<b>Net finance income</b>	<b>30,492</b>	48,740	<b>52,883</b>	48,740
<b>Profit/(loss) before income tax</b>	<b>78,055</b>	(9,159)	<b>266,223</b>	47,819
Income tax credit	59,500	198,326	59,514	198,326
<b>Profit for the period</b>	<b>137,555</b>	189,167	<b>325,737</b>	246,145
<b>Other comprehensive income</b>				
Foreign currency translation differences on foreign operations	219,673	(45,738)	-	-
Net change in fair value of available-for-sale financial assets	44,564	1,600	44,564	1,600
<b>Total comprehensive income</b>	<b>401,792</b>	145,029	<b>370,301</b>	247,745
<b>Profit attributable to:</b>				
Owners of the Company	286,708	202,831	325,737	246,145
Non-controlling interest	(149,153)	(13,664)	-	-
<b>Profit for the period</b>	<b>137,555</b>	189,167	<b>325,737</b>	246,145
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	487,133	176,246	370,301	247,745
Non-controlling interest	(85,341)	(31,217)	-	-
<b>Total comprehensive income for the period</b>	<b>401,792</b>	145,029	<b>370,301</b>	247,745
<b>Earnings per share</b>	€ 0.008	€ 0.005	€ 0.009	€ 0.007

# RS2 Software p.l.c.

## Condensed Statements of Cash Flows

For the Six Months ended 30 June 2010

	The Group		The Company	
	30.06.10 (Unaudited)	30.06.09 (Unaudited)	30.06.10 (Unaudited)	30.06.09 (Unaudited)
	€	€	€	€
<b>Cash flows from operating activities</b>				
Profit for the period	137,555	189,167	325,737	246,145
Adjustments for:				
Depreciation	66,221	24,971	22,652	24,704
Amortisation of intangible assets	357,423	349,900	357,423	349,900
Capitalised development costs	(116,018)	(112,598)	(116,018)	(112,598)
(Reversal of)/impairment of receivables	-	3,000	-	3,000
Interest payable	22,994	14	740	14
Interest receivable	(33,114)	(39,096)	(33,042)	(39,096)
Unwinding of discount on accrued income	(14,138)	(21,266)	(14,138)	(21,266)
Unwinding of discount on accrued expenses	3,535	5,321	3,535	5,321
Income tax	(59,500)	(198,326)	(59,514)	(198,326)
Provision for exchange fluctuations	(99,940)	30,386	(91,392)	5,863
	<b>265,018</b>	<b>231,473</b>	<b>395,983</b>	<b>263,661</b>
Change in trade and other receivables	(206,693)	648,686	(231,375)	740,472
Change in trade and other payables	125,534	371,822	112,526	376,865
Change in parent company's balance	7,219	(180,577)	7,219	(180,577)
Change in other related parties' balances	-	49,543	-	49,543
Cash generated from operating activities	<b>191,078</b>	<b>1,120,947</b>	<b>284,353</b>	<b>1,249,964</b>
Interest paid	(740)	(14)	(740)	(14)
Interest received	19,344	35,316	19,272	35,316
Income taxes paid	(4,765)	(5,999)	(4,751)	(5,999)
<b>Net cash from operating activities</b>	<b>204,917</b>	<b>1,150,250</b>	<b>298,134</b>	<b>1,279,267</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(9,227)	(185,214)	(6,514)	(12,606)
Investment in subsidiaries	-	(757,741)	-	(905,542)
Investment in other companies	-	(218,978)	-	(218,978)
Acquisition of available-for-sale financial assets	-	(1,000,000)	-	(1,000,000)
Advances to parent company	(177,500)	-	(177,500)	-
Advances to subsidiaries	-	-	(155,212)	(211,287)
Repayment of advances to parent company	178,200	-	178,200	-
Repayment of advances to subsidiaries	-	-	66,692	-
<b>Net cash used in investing activities</b>	<b>(8,527)</b>	<b>(2,161,933)</b>	<b>(94,334)</b>	<b>(2,348,413)</b>

# RS2 Software p.l.c.

## Condensed Statements of Cash Flows

For the Six Months ended 30 June 2010

	The Group		The Company	
	30.06.10 (Unaudited)	30.06.09 (Audited)	30.06.10 (Unaudited)	30.06.09 (Audited)
	€	€	€	€
<b>Cash flows from financing activities</b>				
Dividends paid	(823,328)	(825,000)	(823,328)	(825,000)
Repayments of bank borrowings	(244,590)	(244,590)	(244,590)	(244,590)
Repayments of finance lease	(52,682)		-	
Proceeds from called-up share capital by non-controlling interest		133,212		-
Advances by non-controlling interest	-	27,652	-	-
<b>Net cash used in financing activities</b>	<b>(1,120,600)</b>	<b>(908,726)</b>	<b>(1,067,918)</b>	<b>(1,069,590)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(924,210)</b>	<b>(1,920,409)</b>	<b>(864,118)</b>	<b>(2,138,736)</b>
Cash and cash equivalents at 1 January	1,452,020	5,447,062	1,349,342	5,447,062
Cash and cash equivalents acquired through business combination	-	11,003	-	-
Effect of exchange rate fluctuations on cash held	22,139	(34,613)	9,978	(3,040)
<b>Cash and cash equivalents at 30 June</b>	<b>549,949</b>	<b>3,503,043</b>	<b>495,202</b>	<b>3,305,286</b>

# RS2 Software p.l.c.

## Notes to the Condensed Interim Financial Statements

For the Six Months Ended 30 June 2010

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### 1 Reporting entity

RS2 Software p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta.

The condensed interim financial statements of the Company as at and for the six months ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the "Group").

### 2 Statement of compliance

These condensed interim 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 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 Group for the year ended 31 December 2009.

### 3 Significant accounting policies

The accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2009.

### 4 Segment reporting

#### 4.1 Information about reportable segments

	Licensing		Processing		Total	
For the six months ended 30 June	2010	2009	2010	2009	2010	2009
	€	€	€	€	€	€
External revenues	2,839,592	2,685,283	-	-	2,839,592	2,685,283
Reportable segment profit/ (loss) before income tax	265,051	7,954	(186,804)	(17,113)	78,247	(9,159)

#### 4.2 Reconciliation of reportable segment profit or loss

For the six months ended 30 June	2010	2009
	€	€
Total profit/(loss) for reportable segments	78,247	(9,159)
Elimination of intersegment transactions	(192)	-
Profit/(loss) before income tax	<u>78,055</u>	<u>(9,159)</u>

# RS2 Software p.l.c.

## Notes to the Condensed Interim Financial Statements

### For the Six Months Ended 30 June 2010

#### 5 Property, plant and equipment

During the six months ended 30 June 2010, the Group acquired assets with a cost of €85,179 (six months ended 30 June 2009: €246,503).

#### 6 Intangible assets

During the six months ended 30 June 2010, the Group capitalised expenditure on the development of computer software amounting to €116,018 (six months ended 30 June 2009: €112,598).

#### 7 Related parties

##### 7.1 Related party transactions

Similar to what was reported in the financial statements for the year ended 31 December 2009, the Group had the following the transactions with related parties:

	The Group		The Company	
	30.06.10 (Unaudited)	30.06.09 (Unaudited)	30.06.10 (Unaudited)	30.06.09 (Unaudited)
	€	€	€	€
<b>Parent company</b>				
Payment of expenses on behalf of	-	1,803	-	1,803
Assignment of receivables to	-	187,491	-	187,491
Assignment of payables to	-	8,718	-	8,718
Payments on behalf of Company by	<b>7,218</b>	-	<b>7,218</b>	-
Advances to	<b>177,500</b>	-	<b>177,500</b>	-
Repayments of advances to	<b>178,200</b>	-	<b>178,200</b>	-
Interest charged to	<b>700</b>	-	<b>700</b>	-
Dividend payable to	<b>485,650</b>	485,650	<b>485,650</b>	485,650
Dividend paid	<b>485,650</b>	485,650	<b>485,650</b>	485,650
<b>Subsidiaries</b>				
Advances to			<b>155,212</b>	-
Repayments of advances to			<b>66,692</b>	-
Interest charged to			<b>12,471</b>	-
<b>Other related entities</b>				
Services provided to	-	21,880	-	21,880
Services provided by	<b>217,005</b>	492,001	<b>217,005</b>	492,001
Payments for services provided by	<b>415,835</b>	420,580	<b>415,835</b>	420,580
Services not yet invoiced provided by	<b>201,422</b>	237,600	<b>201,422</b>	237,600
Loan repayments by	<b>730</b>	-	<b>730</b>	-
Interest charged to	<b>232</b>	-	<b>232</b>	-

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 Financial Statements

For the Six Months Ended 30 June 2010

### 7 Related parties (continued)

#### 7.2 Related party balances

	The Group		The Company	
	30.06.10 (Unaudited) €	30.06.09 (Unaudited) €	30.06.10 (Unaudited) €	30.06.09 (Unaudited) €
<b>Amounts receivable</b>				
Amounts owed by parent company	141,247	82,662	141,247	82,662
Trade receivables owed by other related entities	562,746	570,002	562,746	570,002
Accrued income owed by other related entities	300,000	300,000	300,000	300,000
Amounts owed by subsidiary company	-	-	456,607	211,287
Amounts owed by other related entities	22,777	24,014	22,777	24,014
<b>Amounts payable</b>				
Trade payables due to other related entities	47,392	47,392	47,392	47,392
Accrued expenses due to other related entities	201,422	238,992	201,422	238,992

### 8 Prior period error

During the six months ended 30 June 2009, investment in subsidiary company Transworks LLC was accounted for using the equity method.

In accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, the Group has restated retrospectively the effected financial statements by restating the Income Statement for the Group for the six months ended 30 June 2009.

The following are the restatements to the financial statement line items affected by the prior period error.

*Effect on amounts for the six months ended 30 June 2009*

	As previously reported €	Re-statements €	As restated €
<b>Income statement</b>			
Cost of sales	2,229,104	15,559	2,244,663
Gross profit	456,179	(15,559)	440,620
Administrative expenses	366,084	1,554	367,638
Other operating expenses	29,581	765	30,346
Results from operating activities	(40,021)	(17,878)	(57,899)
Share of losses of equity accounted investees	(6,216)	6,216	-
Profit before income tax	2,503	(11,662)	(9,159)
Profit for the period	200,829	(11,662)	189,167

# RS2 Software p.l.c.

## Notes to the Condensed Interim Financial Statements

For the Six Months Ended 30 June 2010

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8 Prior period error (continued)

	As previously reported €	Re- statements €	As restated €
<b>Other comprehensive income</b>			
Foreign currency translation difference on foreign operations	(7,060)	(38,678)	(45,738)
<b>Total comprehensive income</b>	<b>195,369</b>	<b>(50,340)</b>	<b>145,029</b>
<b>Profit attributable to:</b>			
Owners of the Company	200,829	2,002	202,831
Non-controlling interest	-	(13,664)	(13,664)
Profit for the year	200,829	(11,662)	189,167
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	195,369	(19,123)	176,246
Non-controlling interest	-	(31,217)	(31,217)
Total comprehensive income for the year	195,369	(50,340)	145,029



# RS2 Software p.l.c.

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

As at 30 June 2010

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We confirm that to the best of our knowledge:

- the condensed interim 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 2010, as well as the financial performance and cash flows for the period ended 30 June 2010; and
- the interim Directors' report includes a fair review of the information required in terms of Listing Rule 9.44k.2.



Reinhold Schöffter  
Chairman



Mario Schembri  
Director