

RS2 Software p.l.c.**COMPANY ANNOUNCEMENT**

The following is a Company Announcement issued by RS2 Software p.l.c. (“the Company”) in compliance with Chapter 8 of the Listing Rules.

Quote

The Board of Directors of the Company has resolved to set up a trust (“the RS2 Employee Trust”) in order to implement the employee share option scheme, the terms and conditions of which have been identified in the Company’s Prospectus dated 16 May 2008.

The trust has been set up for the benefit of the Company’s employees, particularly to encourage the participation of employees in the ownership of the Company through a share option scheme.

The RS2 Employee Trust has been funded through a loan by the Company which will be repaid back by the Trust to the Company by not later than the 31 December 2022 or upon the termination of the Trust, whichever is the first to occur.

The Company would also like to announce that it was notified that on 29 December 2010 and 30 December 2010 the RS2 Employee Trust had collectively purchased 750,000 ordinary shares (“Shares”) at the price of Euro 0.48 per Share. The purchases were made in order to enable the RS2 Employee Trust implement the Company’s employee share option scheme. These Shares will be held by the RS2 Employee Trust in order to satisfy the future exercise of options to be granted to employees of the Company to purchase Shares. When the options are exercised by the respective option holders the shares capital of the Company will not be diluted.

Following these transactions the RS2 Employee Trust holds 750,000 shares, representing 2% of the Company’s issued share capital and voting rights.

Unquote

Dr Ivan Gatt
Company Secretary
30 December 2010