

RS2 Software p.l.c. COMPANY ANNOUNCEMENT

The following is a company announcement issued by RS2 Software p.l.c. in compliance with Chapter 5 of the Listing Rules.

Quote:

Reference is made to Company Announcements 51 and 53 where the Board of Directors announced that it was made aware of a firm intention by a third party (a major European bank) to acquire a Substantial Shareholding in RS2 Software p.l.c. (RS2 or the Company) and that the shareholders sanctioned the disclosure of price sensitive information to such bona fide offeror in accordance with the provisions of Listing Rule 5.174.3. et seq.

The Board of Directors announces that the bona fide offeror is Barclays Bank PLC (Barclays), a major global financial services provider engaged in personal banking, credit cards, corporate and investment banking and wealth and investment management. With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs approximately 140,000 people.

Negotiations have been concluded and Barclays and ITM (Information Technology Management) Holding Limited (ITM) have entered into an agreement (the Agreement) in order for Barclays to acquire from ITM 4,250,000 shares in RS2, amounting to 10% of the issued share capital of the Company, at a pre-agreed price of Euro 1.22 per share (the Transaction).

The Agreement between Barclays and ITM (a company in which Radi Abd El Haj, a director of RS2, has a significant interest) is conditional upon (i) certain changes being made to the Memorandum and Articles of Association (MAA) of the Company, and (ii) a Barclays representative being appointed to the Board of Directors, and therefore the Transaction may not materialise without such changes to the MAA becoming effective.

Radi Abd El Haj has disclosed to the Board his interest in the Transaction and, in line with the provisions of the MAA, did not participate in any meeting of the Board at which the Transaction was discussed.

ITM has, in accordance with the provisions of Article 129(1) of the Companies Act, requested the Company to convene an Extraordinary General Meeting in order to consider performing changes to the MAA. An Extraordinary General Meeting (EGM) is to be held on 2 October 2013 for the purpose of considering and if deemed fit approving the proposed amendments to the MAA. A notice convening the EGM will be sent to all shareholders who appear on the shareholder register as at close of business on 2 September 2013.

The Agreement is part of a wider transaction for Barclays to acquire up to 20% shareholding in RS2 through a combination of shares purchased under the agreement with ITM and otherwise from the Company's shares listed on the Malta Stock Exchange.

The Directors also refer to Company Announcement 54 and announce that the license agreement for the use of its proprietary software BankWORKS® for a contract value of GBP 8,500,000 (the License Agreement) refers to a license agreement concluded with Barclays, which contract was negotiated separately and independently from the Transaction. In light of the timing considerations for the convening of the EGM, the right of termination for convenience under the License Agreement has been extended from 30 August 2013 to 14 October 2013, and can now only be exercised in the event that the abovementioned conditions to the Transaction are not satisfied or waived or the Agreement is rescinded in accordance with its terms.

The Directors are of the opinion that the relationship between Barclays and RS2, through the License Agreement for the use of BankWORKS® as well as through the acquisition of shares in the Company, represents a significant and positive strategic development for RS2.

Unquote:



Dr. Ivan Gatt
Company Secretary

30 August 2013