

For immediate release

26 February 2010

## RCM TECHNOLOGY TRUST PLC

Final Results for the year ended 30 November 2009

The following comprises extracts from the Company's Annual Financial Report for the year ended 30 November 2009. The full Annual Financial Report is available to be viewed on or downloaded from the company's website at [www.rcmtechnologytrust.co.uk](http://www.rcmtechnologytrust.co.uk). Copies will be posted to shareholders shortly.

### MANAGEMENT REPORT

#### Chairman's Statement

##### **Results and Performance**

I am pleased to report that the Net Asset Value ("NAV") of the Company at 30 November 2009 was 274.0p (2008 – 191.1p). This represented an increase of 43.4% in the year and compared with an increase of 47.5% in the Company's benchmark index.

Over the same period, the price of the Company's Ordinary Shares rose by 41.1%, from 176.5p to 249.0p, whilst the discount to NAV at the year-end was slightly higher at 9.1% compared with 7.6%.

The price of the Subscription Shares, which were issued by way of a one for five bonus issue in 2007, increased by 272.2%, from 9.0p to 33.5p. Consequently, an Ordinary Share with the associated fraction of a Subscription Share was worth 255.7p at the year-end (2008 – 178.3p), an increase of 43.4%.

These are satisfactory results. They have benefited from a general improvement in market sentiment after the turmoil of last year but they also indicate that investors recognise the attractive returns that the technology sector can provide.

##### **Dividend**

The investments in the Company's portfolio typically provide a very low yield and no dividend has been declared in respect of the year ended 30 November 2009 (2008 – nil). Although the Company made a modest positive revenue return, company law prevents the payment of a dividend given the deficit on the Company's accumulated revenue reserves. It is unlikely that a dividend will be paid for the foreseeable future.

##### **Board of Directors**

The directors retiring by rotation at this year's annual general meeting are myself and Richard Holway. Also retiring is Paul Gaunt, who retires annually as a long serving director. All are standing for re-election and each is fully supported by the Board.

##### **Share buy backs**

During the year we pursued our policy of repurchasing shares in the market at discounts in excess of 7% where there was demand in the market for us to do so. The company repurchased 624,850 Ordinary Shares to be held in treasury for possible re-sale in order to help provide additional market liquidity. No shares were repurchased for cancellation. We will not re-issue shares at a discount higher than that applying when the shares were purchased, thus ensuring that the assets of existing shareholders are not diluted by the transactions when viewed on a combined basis. Since the year end, a further 137,000 shares have been repurchased and are held in treasury.

## **VAT**

Following the European Court of Justice ruling in the “Claverhouse” case, no VAT has been payable on management fees since 1 May 2007. The Company has successfully pursued claims relating to VAT paid in 2001-07 and has received a refund of £810,497 together with interest of £182,651. There is a possibility that further amounts may be recovered for other periods.

## **Outlook**

Markets throughout the world remain fragile. It is likely that economic growth across the world will be constrained for some time and the spectre of a “double dip” recession remains. Nonetheless, the outlook for a significant part of the technology sector is positive. Many companies took steps early in the recession to contain costs; there are substantial cash balances, providing balance sheet resilience and a platform for M&A activity; the inexorable growth of data continues to require the adoption of new technologies; and there is continuing momentum provided by important new products from companies such as Apple, Google and Microsoft.

Against this background, we believe that there will be “winners” in the technology sector in 2010.

## **Subscription Shares**

A notice has been posted to all registered shareholders of Subscription Shares setting out how they may exercise subscription rights in the period leading up to this year’s Annual General Meeting.

## **Annual General Meeting**

The Annual General Meeting will be held at The City of London Club, 19 Old Broad Street, London EC2N 1DS, on Tuesday 30 March 2010 at 11.45 a.m. I look forward to meeting those shareholders who are able to attend.

## **Principal Risks and Uncertainties**

The Company’s assets consist principally of quoted equities: its main area of risk therefore is equity market-related. The specific key risks faced by the Company, together with the Board’s mitigation approach, are as follows:

### **Objective and Strategy – The risk that the Company and its Investment Objective become unattractive to investors**

The Board periodically reviews the investment mandate and the long-term investment approach in relation to market and economic conditions, and the operation of the Company’s peers, thereby monitoring whether the Company’s strategy remains optimal.

### **Level of discount/premium – The risk that share price performance lags NAV performance**

The Board undertakes a regular review of the level of discount/premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing. The Board has implemented a discount control mechanism by pursuing a policy of buying back shares in the market at discounts in excess of 7.0% where there is demand in the market for the Company to do so. In the event of shares being re-purchased by the Company, such shares will be cancelled, or held in treasury.

### **Market Price Risk**

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding investments in the face of price movements. The Board meets on at least a quarterly basis during the year. At each meeting the Directors consider the asset allocation of the portfolio in order to monitor the risk associated with particular countries or sectors. The Manager has responsibility for selecting investments in accordance with the Company’s investment objective and seeks to ensure that individual stocks meet an acceptable risk-reward profile. The Company does not currently take short positions or otherwise hedge market price risk.

**Foreign Currency Risk – Movements in exchange rates could adversely affect the performance of the investment portfolio**

A significant proportion of the Company's assets are, and will continue to be, invested in securities denominated in foreign currencies, in particular US dollars. As the Company's shares are denominated and trade in sterling, the return to shareholders will be affected by changes in the value of sterling relative to those foreign currencies. The Board has made clear the Company's policy with regard to foreign currency fluctuations which is that it does not currently hedge against currency exposure.

**Interest Rate Risk**

The Company currently finances its operations through its ordinary share capital and reserves, and there are no significant interest bearing liabilities. At the year-end, the Company held £1,523,000 of US Treasury Bills, a liquid security which unlike a bank deposit, provides qualifying income for the purpose of maintaining the Company's investment trust status. This type of investment is directly exposed to movements in its fair value arising from changes in interest rates. These risks are managed alongside market price risk as described above.

**Liquidity Risk – The ability to meet funding requirements when they arise**

The Investment Manager has constructed the investment portfolio so that funds can be raised at short notice if required.

**Credit Risk**

The Company's bank balances, debtors and fixed interest investments represent the Company's exposure to credit risk in relation to financial assets. The credit risk on bank balances is considered to be small because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Company has no significant exposure to credit risk. Numerical analysis of the financial risks is included in Note 16 of the Annual Financial Report.

**Portfolio Performance – The risk that investment performance may not be meeting the investment objective or shareholder requirements**

The Board regularly reviews investment performance against the benchmark and against the peer group. The Board also receives ad hoc reports that show an analysis of performance compared with other relevant indices. The Manager provides an explanation of stock selection decisions and an overall rationale for the composition of the portfolio. The Manager discusses current and potential investment holdings with the Board on a regular basis in addition to new initiatives, which may enhance shareholder return.

**Operational and Regulatory Risk – Compliance with s842, Income and Corporation Taxes Act 1988**

A breach of s842 could lead to the Company being subject to corporation tax on the profits on the sale of its investments, whilst serious breach of other regulatory rules could lead to suspension from the Stock Exchange or to a qualified Audit Report. Other control failures, either by the Manager or any other of the Company's service providers, may result in operational and/or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations. The Manager regularly monitors the Company's compliance with s842 and other financial regulatory requirements, and the results are reported to the Board at each board meeting. All transactions, income and expenditure forecasts are reported to the Board. The Board regularly considers all risks, the measures in place to control them and the possibility of any other risks that could arise. The Board ensures that satisfactory assurances are received from service providers. The Manager's Compliance Officer produces regular reports for review by the Company's Audit Committee and is available to attend meetings in person if required.

### **Related Party Transactions**

During the financial year no transactions with related parties have taken place which would materially affect the financial position or the performance of the Company.

### **Statement of Directors' Responsibilities**

The Annual Financial Report contains a responsibility statement in the following form:

The Directors are responsible for preparing the Annual Financial Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the total return of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors at the date of the approval of this Report each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- the Annual Financial Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board of Directors

David Quysner  
Chairman

For further information contact:

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RCM (UK) Limited

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**INVESTMENT PORTFOLIO as at 30 November 2009**

**Ten Largest Investments**

Investment	Sector	Country	Fair Value £'000	% of Portfolio
Microsoft	Software	United States	4,247	7.0
Google	Software	United States	2,725	4.5
Amazon.com	General Retailers	United States	2,645	4.4
Cisco	Hardware	United States	2,604	4.3
Salesforce.com	Software	United States	2,426	4.0
Hewlett Packard	Hardware	United States	1,889	3.1
Riverbed Technologies	Hardware	United States	1,673	2.8
Intel	Hardware	United States	1,634	2.7
F5 Network	Hardware	United States	1,604	2.7
US Treasury Bill 0% 25/02/10	Bond	United States	1,523	2.5
<b>Total</b>			<b>22,970</b>	<b>38.0</b>

**Balance of Investment Portfolio**

Cognizant	Software	United States	1,484	2.5
China Telecom Corporation	Telecommunications	China	1,409	2.3
Baidu	Software	China	1,320	2.2
Equinix	Software	United States	1,299	2.2
Apple	Hardware	United States	1,230	2.0
Amphenol	Electronics	United States	1,141	1.9
Longtop Financial Technologies	Software	China	1,121	1.9
Expedia	Travel & Leisure	United States	1,113	1.8
Autonomy	Software	United Kingdom	1,072	1.8
Vmware	Software	United States	1,067	1.8

**Top 20 investments**

			<b>35,226</b>	<b>58.4</b>
Oracle	Software	United States	912	1.5
On Semiconductor	Hardware	United States	890	1.5
Autodesk	Software	United States	836	1.4
Itron	Electronics	United States	806	1.3
Ctrip.Com	Travel & Leisure	China	783	1.3
SMA Solar Technology	Alternative Energy	Germany	770	1.3
Concur Technologies	Software	United States	768	1.3
Netflix	General Retailers	United States	731	1.2
Sina	Software	China	714	1.2
Akamai Technologies	Software	United States	703	1.2

**Top 30 investments**

			<b>43,139</b>	<b>71.6</b>
Johnson Controls	Automobiles & Parts	United States	688	1.1
Tencent	Software	Hong Kong	687	1.1
American Tower	Hardware	United States	663	1.1
Qualcomm	Hardware	United States	659	1.1
Synaptics	Hardware	United States	634	1.1
Ebay	General Retailers	United States	604	1.0
Cybersource	Software	United States	601	1.0
Nuance Communications	Software	United States	601	1.0
Capita Group	Support Services	United Kingdom	579	1.0
Ariba	Software	United States	573	1.0

**Top 40 investments**

			<b>49,428</b>	<b>82.1</b>
Samsung Electronics	Hardware	Korea	572	0.9
Activision	Leisure Goods	United States	536	0.9
Dell	Hardware	United States	529	0.9
Netease.com	Software	China	505	0.8

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Sunpower	Alternative Energy	United States	497	0.8
NetApp	Hardware	United States	418	0.7
Infineon Technologies	Hardware	Germany	380	0.6
Texas Instruments	Hardware	United States	378	0.6
Successfactors	Support Services	United States	377	0.6
Quanta	Constructions & Materials	United States	361	0.6
<b>Top 50 investments</b>			<b>53,981</b>	<b>89.5</b>
Yingli Green Energy	Electronics	China	355	0.6
Asiainfo	Support Services	United States	354	0.6
MicroDose*	Hardware	United States	328	0.5
Accenture	Support Services	United States	327	0.5
Canadian Solar	Electronics	Canada	324	0.5
WebMD Health	Support Services	United States	323	0.5
Analog Devices	Hardware	United States	322	0.5
Athenahealth	Support Services	United States	319	0.5
Clearwire	Software	United States	305	0.5
Taiwan Semiconductor	Hardware	Taiwan	298	0.5
<b>Top 60 Investments</b>			<b>57,236</b>	<b>94.7</b>
EMC	Hardware	United States	294	0.5
International Business Machine	Software	United States	293	0.5
Verisk Analytics	Support Services	United States	292	0.5
Misys	Software	United Kingdom	272	0.5
Cap Gemini	Software	France	271	0.5
Eclipsys	Software	United States	269	0.5
Tibco Software	Software	United States	268	0.5
Acer	Hardware	Taiwan	261	0.4
Suntech Power	Alternative Energy	China	246	0.4
Motorola	Hardware	United States	218	0.4
<b>Top 70 Investments</b>			<b>59,920</b>	<b>99.4</b>
Alibaba.com	Software	Hong Kong	136	0.2
HTC	Hardware	Taiwan	131	0.2
Starent Networks	Hardware	United States	124	0.2
<b>Total Investments</b>			<b>60,311</b>	<b>100.0</b>

\*Unquoted Investment

## INCOME STATEMENT

for the year ended 30 November 2009

	Revenue £	Capital £	Total Return £
			<b>(Note C)</b>
Net gains on investments at fair value	-	18,599,491	18,599,491
Net losses on foreign currencies	-	(86,766)	(86,766)
Income	586,192	-	586,192
Investment management fee	(541,005)	-	(541,005)
Investment management fee VAT refund	511,553	298,944	810,497
Administration expenses	(346,128)	-	(346,128)
<b>Net return before finance costs and taxation</b>	<b>210,612</b>	<b>18,811,669</b>	<b>19,022,281</b>
Finance costs: interest payable and similar charges	(284)	-	(284)
<b>Net return on ordinary activities before taxation</b>	<b>210,328</b>	<b>18,811,669</b>	<b>19,021,997</b>
Taxation	(61,344)	-	(61,344)
<b>Net return on ordinary activities attributable to Ordinary Shareholders</b>	<b>148,984</b>	<b>18,811,669</b>	<b>18,960,653</b>
<b>Return per Ordinary Share</b> (basic and diluted)	<b>0.65p</b>	<b>81.57p</b>	<b>82.22p</b>

(Note B)

## BALANCE SHEET

as at 30 November 2009

	2009 £
Investments held at fair value through profit or loss	60,311,283
Net Current Assets	2,391,789
<b>Total Net Assets</b>	<b>62,703,072</b>
Called up Share Capital	5,932,096
Share Premium Account	23,453,149
Capital Redemption Reserve	1,020,750
Capital Reserve	43,538,862
Revenue Reserve	(11,241,785)
<b>Equity Shareholders' Funds</b>	<b>62,703,072</b>
<b>Net Asset Value per Ordinary Share</b>	<b>274.0p</b>

The Net Asset Value is based on 22,882,929 Ordinary Shares in issue at the year end.

## INCOME STATEMENT

for the year ended 30 November 2008

	Revenue £	Capital £	Total Return £ (Note C)
Net losses on investments at fair value	–	(16,472,167)	(16,472,167)
Net gains on foreign currencies	–	158,446	158,446
Income	479,513	–	479,513
Investment management fee	(561,457)	–	(561,457)
Investment management fee VAT refund	–	–	–
Administration expenses	(358,459)	–	(358,459)
<b>Net return before finance costs and taxation</b>	<b>(440,403)</b>	<b>(16,313,721)</b>	<b>(16,754,124)</b>
Finance costs: interest payable and similar charges	(5,362)	–	(5,362)
<b>Net return on ordinary activities before taxation</b>	<b>(445,765)</b>	<b>(16,313,721)</b>	<b>(16,759,486)</b>
Taxation	(49,897)	–	(49,897)
<b>Net return on ordinary activities attributable to Ordinary Shareholders</b>	<b>(495,662)</b>	<b>(16,313,721)</b>	<b>(16,809,383)</b>
<b>Return per Ordinary Share</b> (basic and diluted)	<b>(2.10p)</b>	<b>(69.08p)</b>	<b>(71.18p)</b>

(Note B)

## BALANCE SHEET

as at 30 November 2008

	2008 £
Investments held at fair value through profit or loss	44,085,478
Net Current Assets	835,465
<b>Total Net Assets</b>	<b>44,920,943</b>
Called up Share Capital	5,931,968
Share Premium Account	23,451,861
Capital Redemption Reserve	1,020,750
Capital Reserve	25,907,133
Revenue Reserve	(11,390,769)
<b>Equity Shareholders' Funds</b>	<b>44,920,943</b>
<b>Net Asset Value per Ordinary Share</b>	<b>191.1p</b>

The Net Asset Value is based on 23,507,249 Ordinary Shares in issue at the year end.

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

### For the year ended 30 November 2009

	Called up Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net Assets at 30 November 2007	6,012,784	23,439,864	938,750	43,044,528	(10,895,107)	62,540,819
Revenue Return	-	-	-	-	(495,662)	(495,662)
Shares repurchased during the year	(82,000)	-	82,000	(823,674)	-	(823,674)
Conversion of Subscription Shares	1,184	11,997	-	-	-	13,181
Capital Return	-	-	-	(16,313,721)	-	(16,313,721)
Net Assets at 30 November 2008	5,931,968	23,451,861	1,020,750	25,907,133	(11,390,769)	44,920,943
Net Assets at 30 November 2008	5,931,968	23,451,861	1,020,750	25,907,133	(11,390,769)	44,920,943
Revenue Return	-	-	-	-	148,984	148,984
Shares repurchased during the year	-	-	-	(1,179,940)	-	(1,179,940)
Conversion of Subscription Shares	128	1,288	-	-	-	1,416
Capital Return	-	-	-	18,811,669	-	18,811,669
Net Assets at 30 November 2009	5,932,096	23,453,149	1,020,750	43,538,862	(11,241,785)	62,703,072

**CASH FLOW STATEMENT**

**For the year ended 30 November 2009**

	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow (outflow) from operating activities</b>		396,799	(1,894,279)
<b>Return on investment and servicing of finance</b>			
Interest paid		(285)	(5,362)
<b>Capital expenditure and financial investment</b>			
Purchase of fixed asset investments	(78,206,670)		(173,839,231)
Sale of fixed asset investments	80,403,765		176,801,003
<b>Net cash inflow from capital expenditure and financial investment</b>		2,197,095	2,961,772
<b>Net cash inflow before financing</b>		2,593,609	1,062,131
<b>Financing</b>			
Purchase of Ordinary Shares for cancellation and for holding in treasury	(1,180,465)		(823,149)
Conversion of Subscription Shares to Ordinary Shares	1,416		13,181
<b>Net cash outflow from financing</b>		(1,179,049)	(809,968)
<b>Increase in cash</b>		<u>1,414,560</u>	<u>252,163</u>

## Notes

### Note A

The financial statements have been prepared on the historical cost convention, modified to include the measurement at fair value of investments and in accordance with the United Kingdom law, United Kingdom Generally Accepted Accounting Principles (UK GAAP) and the Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued in January 2009 by the Association of Investment Companies.

### Note B

The Returns per Ordinary Share have been calculated using a weighted average number of shares in issue of 23,061,520 (2008 – 23,614,795 shares).

### Note C

The total column of this statement is the profit and loss account of the Company.

All revenue and capital items derive from continuing operations. No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the Income Statement.

Included in the cost of investments are transaction costs on purchases which amounted to £112,197 (2008– £127,545) and transaction costs on sales which amounted to £100,726 (2008– £142,598).

### Note D

Valuation – As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, investments are designated as fair value through profit or loss on initial recognition in accordance with FRS 26 'Financial Instruments: Recognition and Measurement'. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the Board of Directors.

Investments held at fair value through profit or loss are initially recognised at fair value. After initial recognition, these continue to be measured at fair value, which for quoted investments is either the bid price or the last traded price depending on the convention of the exchange on which the investment is listed. Gains or losses on investments are recognised in the capital column of the Income Statement.

Investment holding gains (losses) reflect differences between fair value and book cost. Net gains or losses arising on sale of investments are taken to the Capital Reserve.

Unquoted investments are valued by the Directors with reference to the principles set out by the International Private Equity and Venture Capital Valuation Guidelines issued in September 2009.

Note E

The financial information for the year ended 30 November 2009 has been extracted from the statutory accounts for that year. The auditor's report on those accounts was unqualified and did not contain a statement under either Section 498(2) or (3) of the Companies Act 2006. The Annual Financial Report has not yet been delivered to the Registrar of Companies.

The financial information for the year ended 30 November 2008 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under either Section 237(2) or Section 237(3) of the Companies Act 1985.