

**RCM TECHNOLOGY TRUST PLC**

**ANNOUNCEMENT OF PRELIMINARY RESULTS**  
**For the year ended 30 November 2007**

**Highlights**

- New investment manager appointed on 1 May 2007.
- Net asset value per ordinary share up 15.3% compared with a benchmark return of 7.3%.
- Bonus issue of subscription shares to all shareholders on 17 August 2007.

NAV and benchmark returns are total return figures.

**Net Asset Value**

The net asset value per Ordinary Share at 30 November 2007 was 262.1p compared with 227.4p at 30 November 2006, an increase of 15.3%. Over the same period the benchmark index (Dow Jones World Technology Index, Sterling adjusted Total Return) increased by 7.3%.

**Review**

I am pleased to report on an eventful and successful year for your Trust.

Following the Board's search for a new investment manager, RCM formally assumed management of the Trust on 1 May 2007. The portfolio was subsequently rebalanced to reflect RCM's views of markets, trends and opportunities. This resulted in a significantly higher weighting towards larger capitalisation securities and a reduced allocation to the UK and Europe.

A bonus issue of subscription shares was made to all shareholders on the register on 17 August 2007, giving holders of these shares the right to subscribe for new ordinary shares in any year up to 2012 at a price of 267p. We will shortly be writing to the holders of subscription shares to let them know how they may convert their shares to ordinary shares this year.

At the EGM held in August, shareholder approval was obtained to allow the Trust to extend its investment policy to allow the use of derivatives, which may be used selectively with a view to enhancing returns. It is expected that this flexibility will be used for the first time in the next few months.

I am pleased to report that RCM have made a very encouraging start. From the date of their appointment to the Trust's financial year end, the net asset value increased by 14.4% compared to 5.9% on the Dow Jones World Technology Index. For the financial year as a whole, the net asset value of the Trust increased by 15.3% , against 7.3% on the Dow Jones World Technology Index.

Compared with many other investment trusts, the rating on the Trust's shares has remained strong, particularly if the value of the subscription shares is taken into account. At the time of writing, a 'package' of one subscription share and five ordinary shares is worth 1164.00p compared with the diluted net asset value of five Ordinary Shares of 1187.55p, representing a very modest discount of 2.0%. The share price of this package has increased by 17.9% in the period 1 December 2006 to 30 November 2007, considerably outperforming other investment trusts in our peer group.

## **Share Buy Backs**

We have pursued our policy of repurchasing shares in the market at discounts in excess of 7%, if there is demand in the market for us to do so. During the year, the company repurchased and cancelled 420,000 shares and a further 231,000 shares have been repurchased since the year end.

This year we are also seeking shareholder authority to repurchase shares for holding in treasury, and for subsequent re-sale from treasury in order to help provide additional market liquidity. We will not re-issue shares at a higher discount 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.

## **Outlook**

Recent economic data suggests that we are witnessing a downturn in economic activity in many parts of the world and an increasing number of commentators are forecasting a US recession. The full impact of last year's liquidity crisis may not yet have been felt. Further writedowns and capital raisings in the financial sector seem probable. Against this background, enterprise - or business - spending is likely to remain under pressure and company information technology budgets for 2008 will be under close scrutiny and, in many cases, cut.

Additionally, in the current reporting season the market's reaction to anything other than exceptional results has generally been negative, as investors focus on cautious outlook statements. In this environment the Trust is prepared to hold higher than usual levels of cash in the portfolio so as to be able to take advantage of the opportunities presented by price falls. At the time of writing the liquidity level is approximately 25% and has temporarily been even higher than this level. However this liquidity, which is held in the form of treasury bills and bank deposits, is in response to the exceptional market conditions currently, and will not remain at these levels in the medium term.

There are a number of segments of the technology sector where prospects look much brighter, including some aspects of consumer-related technology, solar power, and the continuing strong growth of the internet in China. Recent falls have created opportunities to buy selected stocks in these areas at low valuations relative to their prospective growth rates. In more difficult times, investors have also historically favoured companies capable of maintaining sales growth through product innovation. Corporate activity could also increase further, as seen in the purchase of BEA by Oracle and Microsoft's bid for Yahoo. Our belief is that any downturn will be relatively mild compared to past recessions and that many of our favoured growth companies could rally quite sharply in the second half as investor appetite for higher growth companies improves with the prospect of a more stable economy in 2009. RCM will, therefore, maintain its policy of identifying market leaders in emerging growth areas of the technology sector, an approach which has proved very successful in the past.

## **Annual General Meeting**

The Annual General Meeting of the Company will be held on Wednesday 9 April 2008 at 12.00 noon.

David Quysner  
Chairman

155 Bishopsgate  
London, EC2M 3AD

Unaudited preliminary results for the year ended 30 November 2007 were approved for immediate release as undernoted:

**RESULTS**  
**INCOME STATEMENT**  
**for the year ended 30 November 2007**

	<b>2007</b>		
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
	<b>Revenue</b>	<b>Capital</b>	<b>Total Return (Note 2)</b>
Net gains on investments at fair value	-	10,889	10,889
Exchange losses on currency balances	-	(251)	(251)
Income	327	-	327
Investment management fee	(659)	-	(659)
Performance fee	-	(1,156)	(1,156)
Administration expenses	(850)	-	(850)
<b>Net return before finance costs and taxation</b>	<b>(1,182)</b>	<b>9,482</b>	<b>8,300</b>
Finance costs: interest payable and similar charges	(16)	-	(16)
<b>Net return on ordinary activities before taxation</b>	<b>(1,198)</b>	<b>9,482</b>	<b>8,284</b>
Taxation	(30)	-	(30)
<b>Net return attributable to Ordinary Shareholders</b>	<b>(1,228)</b>	<b>9,482</b>	<b>8,254</b>
<b>Return per Ordinary Share (Note 1)</b> (basic and diluted)	<b>(5.12p)</b>	<b>39.55p</b>	<b>34.43p</b>

**BALANCE SHEET**  
**as at 30 November 2007**

	<b>2007</b>
	<b>£'000s</b>
Investments held at fair value through profit or loss	63,350
Net Current Liabilities	(809)
<b>Total Net Assets</b>	<b>62,541</b>
Called up Share Capital	6,013
Share Premium Account	23,440
Capital Redemption Reserve	939
Capital Reserves: Realised	35,165
Unrealised	7,879
Revenue Reserve	43,044 (10,895)
<b>Equity Shareholders' Funds</b>	<b>62,541</b>
<b>Net Asset Value per Ordinary Share</b>	<b>262.1p</b>

The Net Asset Value is based on 23,860,312 Ordinary Shares in issue

Unaudited preliminary results for the year ended 30 November 2006 were approved as undernoted:

**RESULTS**  
**INCOME STATEMENT**  
**for the year ended 30 November 2006**

	<b>2006</b>		
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
	<b>Revenue</b>	<b>Capital</b>	<b>Total Return (Note 2)</b>
Net losses on investments at fair value	-	(1,597)	(1,597)
Exchange losses on currency balances	-	(67)	(67)
Income	218	-	218
Investment management fee	(595)	-	(595)
Performance fee	-	-	-
Administration expenses	(464)	-	(464)
<b>Net return before finance costs and taxation</b>	<b>(841)</b>	<b>(1,664)</b>	<b>(2,505)</b>
Finance costs: interest payable and similar charges	(17)	-	(17)
<b>Net return on ordinary activities before taxation</b>	<b>(858)</b>	<b>(1,664)</b>	<b>(2,522)</b>
Taxation	(5)	-	(5)
<b>Net return attributable to Ordinary Shareholders</b>	<b>(863)</b>	<b>(1,664)</b>	<b>(2,527)</b>
<b>Return per Ordinary Share (Note 1)</b> (basic and diluted)	<b>(3.45p)</b>	<b>(6.65p)</b>	<b>(10.10p)</b>

**BALANCE SHEET**  
**as at 30 November 2006**

	<b>2006</b>
	<b>£'000s</b>
Investments held at fair value through profit or loss	55,073
Net Current Assets	151
<b>Total Net Assets</b>	<b>55,224</b>
Called up Share Capital	6,070
Share Premium Account	23,488
Capital Redemption Reserve	834
Capital Reserves: Realised	45,335
Unrealised	(10,836)
Revenue Reserve	34,499
	(9,667)
<b>Equity Shareholders' Funds</b>	<b>55,224</b>
<b>Net Asset Value per Ordinary Share</b>	<b>227.4p</b>

The Net Asset Value is based on 24,280,312 Ordinary Shares in issue

Unaudited preliminary results for year ended 30 November 2007 were approved for immediate release as undernoted:

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

### For the year ended 30 November 2007

	Called up Share Capital £'000s	Share Premium Account £'000s	Capital Redemption Reserve £'000s	Capital Reserve Realised £'000s	Capital Reserve Unrealised £'000s	Revenue Reserve £'000s	Total £'000s
Net Assets at 30 November 2005	6,539	23,488	365	45,410	(5,159)	(8,804)	61,839
Revenue Return	-	-	-	-	-	(863)	(863)
Shares repurchased during the year	(469)	-	469	(4,088)	-	-	(4,088)
Capital Return	-	-	-	4,013	(5,677)	-	(1,664)
<b>Net Assets at 30 November 2006</b>	<b>6,070</b>	<b>23,488</b>	<b>834</b>	<b>45,335</b>	<b>(10,836)</b>	<b>(9,667)</b>	<b>55,224</b>
Net Assets at 30 November 2006	6,070	23,488	834	45,335	(10,836)	(9,667)	55,224
Revenue Return	-	-	-	-	-	(1,228)	(1,228)
Shares repurchased during the year	(105)	-	105	(937)	-	-	(937)
Issue of Subscription Shares	48	(48)	-	-	-	-	-
Capital Return	-	-	-	(9,233)	18,715	-	9,482
<b>Net Assets at 30 November 2007</b>	<b>6,013</b>	<b>23,440</b>	<b>939</b>	<b>35,165</b>	<b>7,879</b>	<b>(10,895)</b>	<b>62,541</b>

Unaudited preliminary results for the year ended 30 November 2007 were approved for immediate release as undernoted:

**CASH FLOW STATEMENT**  
**For the year ended 30 November 2007**

	<b>2007</b> <b>£'000s</b>	<b>2007</b> <b>£'000s</b>	<b>2006</b> <b>£'000s</b>
<b>Net cash outflow from operating activities</b>		(1,057)	(1,406)
<b>Servicing of Finance</b>			
Interest paid		(16)	(17)
<b>Investing activities</b>			
Purchase of fixed asset investments	(154,140)		(28,534)
Sale of fixed asset investments	156,588		32,250
<b>Net cash inflow from financial investments</b>		2,448	3,716
<b>Net cash inflow before financing</b>		1,375	2,293
<b>Financing</b>			
Repurchase of Ordinary Shares for cancellation		(937)	(4,088)
<b>Increase (Decrease) in cash</b>		438	(1,795)

**Note 1**

The return per Ordinary Share is based on a weighted average number of shares in issue of 23,975,242 (30 November 2006: 25,005,709).

**Note 2**

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 £254,000 (30 November 2006: £58,000) and transaction costs on sales which amounted to £281,000 (30 November 2006: £54,000).

**Note 3**

Investments are designated as held at fair value through profit or loss in accordance with FRS 26 'Financial Instruments: Recognition and Measurement'. Listed investments are valued at bid market prices.

**Note 4**

The announcement is prepared on the basis of the accounting policies as stated in the previous year's financial statements. The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 30 November 2007 or 30 November 2006. The financial information for the year ended 30 November 2006 has been extracted from the statutory financial statements for that year which have been delivered to the Registrar of Companies. The auditors' report on those financial statements was unqualified, did not include a reference to any matters to which the auditors drew attention without qualifying the report and did not contain a statement under either Section 237(2) or Section 237(3) of the Companies Act 1985. The statutory financial statements for the year ended 30 November 2007 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The audit report on the full financial statements has yet to be signed.

**Note 5**

The annual report will be sent to shareholders in early March 2008 and will be available to members of the public from the Company's registered office at 155 Bishopsgate, London, EC2M 3AD.

For further information, please contact:

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