

RCM TECHNOLOGY TRUST PLC
HALF-YEARLY FINANCIAL REPORT
For the six months ended 31 May 2011

Highlights

	31 May 2011	30 November 2010	% Change
Net Asset Value per Ordinary Share - Undiluted	394.5p	365.2p	8.0
Net Asset Value per Ordinary Share - Diluted	373.1p	348.3p	7.1
Ordinary Share Price	343.5p	319.5p	7.5
Discount on Ordinary Share Price to Undiluted	12.9%	12.5%	n/a
Net Asset Value per Ordinary Share			
Discount on Ordinary Share Price to Diluted Net	7.9%	8.3%	n/a
Asset Value per Ordinary Share			
Subscription Share Price	81.5p	55.0p	48.2
Package Value #	1799.0p	1652.5p	8.9
Subscription Shares in issue	4,590,415	4,720,287	(2.8)
Dow Jones World Technology Index (sterling adjusted, total return)	327.2	312.0	4.9
Shareholders' Funds	£89.9m*	£82.7m*	8.7
Ordinary Shares in issue	22,787,962	22,658,090	0.6
Sterling :US Dollar exchange rate	1.65	1.56	5.8

* After share buy backs totalling £: nil (2010: £727,635).

A package represents the value of five Ordinary Shares and one Subscription Share.

The Company has not declared an interim dividend (2010: nil).

Interim Management ReportNet asset value and dividend

During the six month period to 31 May 2011 the Company's undiluted net asset value per share increased by 8.0 per cent from 365.2p to 394.5p. Over the same period the Company's benchmark, the Dow Jones World Technology Index, rose by 4.9 per cent in sterling terms. The diluted NAV, which reflects the potential conversion of the outstanding subscription shares at 267p, rose by 7.1 per cent.

Over the period the Company's share price increased by 7.5 per cent from 319.5p to 343.5p. The subscription shares rose by 48.2 per cent, and a package of five ordinary shares and one subscription share rose by 8.9 per cent.

During the period the share price reached 350.0p and the NAV reached 415.0p (undiluted) and 389.5p (diluted), the highest levels in the past five years.

The Company's investments continue to produce a low level of income and no dividend is payable in respect of the six months ended 31 May 2011 (2010: nil).

Investment Review

This was a period of strong performance for the Trust. Technology stocks rose for most of the period although the market tone changed in late April, with many investors taking profits and reducing their holdings in the more volatile companies. At this time, we saw weakness in the internet and semiconductor stocks, and in our Chinese holdings. The latter were affected by announcements from the Chinese government that they were again raising reserve requirements, by governance issues associated with Yahoo's holding in Alibaba Group, and by the discovery of fraud at banking software vendor Longtop.

Trading in Longtop shares has been suspended and our holding has been written down from its cost of £2.1 million to a valuation of £0.2 million. The situation at Longtop is disappointing and has induced a note of caution with regard to our Chinese holdings. However, it is noted that gains on stocks such as GCL Poly, Baidu and Sina have more than offset losses at Longtop.

In the core technology sectors that comprise over 90% of our holdings, our stock picking was good, particularly in the communications and internet sectors. We continued to focus on themes such as the mobile internet, software as a service, and the new real time enterprise, which analyses internet and customer data quickly to make better and faster decisions. We were also helped by a large underweight position in Cisco Systems and we did not own RIMM, which was quite weak.

On the negative side, we saw pressure on large holdings such as Google, where investors were disappointed with the rapid growth in expenses at that company, and Cree, a LED lighting leader where pricing pressure led to disappointing results. We have sold the latter stock.

The net effect of these factors was a very satisfactory result for the period both in absolute terms and relative to our benchmark index.

Outlook

Markets remain volatile, with ongoing political and economic concerns over the Eurozone and the possibility that the US might slip back into recession in 2012. There is also some risk that China's measures to restrain the rise in its housing prices may be over-restrictive.

However, we believe that many of the companies in our portfolio are well positioned to respond to the challenges of the current environment, in many cases because they offer improvements in productivity and cost-effectiveness that will accelerate the adoption of their products and services.

We expect that the recent wave of server consolidation by large enterprises will peak over the next two years and that the associated growth in hardware and software sales experienced by some of the larger technology companies will subside. We have therefore increased our exposure to a number of mid-cap companies which we believe have strong secular growth prospects and are less dependent on rising with the tide of a general recovery. We expect merger and acquisition activity in the technology sector to increase, as the larger companies, many of which have high levels of cash, seek to increase their potential growth rates through acquisition.

Overall, whilst sensitive to valuation levels in some sectors, we believe that the broad 'themes' of our portfolio, backed by careful stock selection will provide good long term growth for our investors.

Material events and transactions

In the six month period to 31 May 2011 the following material events and transactions took place:

At the Annual General Meeting of the Company held on 6 April 2011 all resolutions put to shareholders were passed, including a vote that the Company shall continue as an investment trust for a further period of five years from that date.

On 13 April 2011, 129,872 Ordinary Shares were issued following the conversion of Subscription Shares.

During the period no Ordinary Shares were purchased either for cancellation or for holding in treasury, nor have any further Ordinary Shares been purchased since the period end.

There were no related party transactions in the period.

Discount Management Policy and Buy Back Authority

Pursuant to the proposals sanctioned by shareholders in December 2005, the Board has adopted a discount management policy under which the Company repurchases Ordinary shares for cancellation at prices representing a discount of not less than 7 per cent to NAV, where there is demand in the market for it to do so. Shareholders should note that the shares may from time to time trade at a discount of greater than 7 per cent, but that there may be no unmet demand from selling shareholders at this level. The making and timing of any share buy back is at the absolute discretion of the Board and there is no guarantee that buy backs will be made or that the policy will be successful in establishing and supporting an improved rating in the Company's shares. Under this discount management policy a total of 894,503 shares have been purchased and held in treasury since 1 December 2008 at a total cost of £1,907,575.

Derivatives Policy

Whilst positive about the medium and longer term, we felt some nervousness earlier in the year around the possibility of a significant market downturn. Consequently in May, we took out a degree of downside protection, through a put option based on the Powershares QQQ ETF.

To date, markets have in fact held up well and our level of confidence has generally grown during the period.

Principal risks and uncertainties for the next six months

The principal risks and uncertainties facing the Company over the next six months are broadly unchanged from those described in the Annual Financial Report for the year ended 30 November 2010. These are set out in the Business Review on page 14 of that Report, together with commentary on the Board's approach to mitigating the risks and uncertainties, under the following headings: Objective and Strategy; Level of Discount / Premium; Market Price Risk; Foreign Currency Risk; Interest Rate Risk; Liquidity Risk; Credit Risk; Portfolio Performance; and Operational and Regulatory Risk.

The world's financial system remains fragile and there is continuing uncertainty in markets. However, recent economic data has shown a degree of stabilisation in economic conditions. As noted above, the Company has a clear focus on sectors that have secular growth prospects and are less dependent on economic recovery.

Subscription Shares

Holders of the Subscription Shares issued by the Company in 2007 are reminded that they can subscribe for Ordinary Shares at a conversion price of 267p in the thirty days preceding the Annual General Meeting ("AGM") in 2012, after which date the right will expire. A notice will be posted to registered holders of the Subscription Shares, setting out how they may exercise their subscription rights, prior to the 2012 AGM, which is expected to be held in early April.

Responsibility statement

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement: 'Half-Yearly Financial Reports'; and
- the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7 R, of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- the interim management report includes a fair review of the information concerning related parties transactions as required by Disclosure and Transparency Rule 4.2.8 R.

The half-yearly financial report was approved by the Board on 8 July 2011 and the above responsibility statement was signed on its behalf by the Chairman.

David Quysner
Chairman

Enquiries:

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SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the six months ended 31 May 2011

	Revenue	Capital	Total Return
	£'000s	£'000s	£'000s (Note 2)
Net gains on investments held at fair value	-	7,377	7,377
Exchange (losses) gains on currency balances	-	(119)	(119)
Income from investments	173	-	173
Investment management fee	(411)	(32)	(443)
Administration expenses	(164)	-	(164)
Net return before finance costs and taxation	(402)	7,226	6,824
Finance costs: Interest payable and similar charges	(1)	-	(1)
Net return on ordinary activities before taxation	(403)	7,226	6,823
Taxation	(21)	-	(21)
Net return attributable to Ordinary Shareholders	(424)	7,226	6,802
Return per Ordinary Share (Note 1)			
Undiluted	(1.87p)	31.85p	29.98p
Diluted	(1.79p)	30.51p	28.72p

BALANCE SHEET

as at 31 May 2011

Investments at fair value through profit or loss	81,467
Net current assets	8,427
Total Net Assets	89,894
Called up Share Capital	5,974
Share Premium Account	23,878
Capital Redemption Reserve	1,021
Capital Reserve	71,466
Revenue Reserve	(12,445)
Shareholders' Funds	89,894
Net Asset Value per Ordinary Share	
Undiluted	394.5p
Diluted	373.1p

The undiluted net asset value is based on 22,787,962 Ordinary Shares in issue.

As at 31 May 2011 there were an additional 924,503 Ordinary shares held in treasury.

The diluted net asset value per Ordinary Share assumes that all outstanding subscription shares were converted into Ordinary Shares at the period end (the potential number of Ordinary Shares in issue at 31 May 2011 was 27,378,377).

SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the six months ended 31 May 2010

	Revenue	Capital	Total Return
	£'000s	£'000s	£'000s
			(Note 2)
Net gains on investments held at fair value	-	11,551	11,551
Exchange (losses) gains on currency balances	-	134	134
Income from investments	147	-	147
Investment management fee	(335)	(169)	(504)
Administration expenses	(169)	-	(169)
Net return before finance costs and taxation	(357)	11,516	11,159
Finance costs: Interest payable and similar charges	-	-	-
Net return on ordinary activities before taxation	(357)	11,516	11,159
Taxation	(18)	-	(18)
Net return attributable to Ordinary Shareholders	(375)	11,516	11,141
Return per Ordinary Share (Note 1)			
Undiluted	(1.65p)	50.68p	49.03p
Diluted	(1.64p)	50.42p	48.78p

BALANCE SHEET

as at 31 May 2010

	£'000s
Investments at fair value through profit or loss	71,193
Net current assets	2,043
Total Net Assets	73,236
Called up Share Capital	5,943
Share Premium Account	23,562
Capital Redemption Reserve	1,021
Capital Reserve	54,327
Revenue Reserve	(11,617)
Shareholders' Funds	73,236
Net Asset Value per Ordinary Share	
Undiluted	323.2p
Diluted	313.5p

The undiluted net asset value is based on 22,658,090 Ordinary Shares in issue.

As at 31 May 2010 there were an additional 924,503 Ordinary shares held in treasury.

The diluted net asset value per Ordinary Share assumes that all outstanding subscription shares were converted into Ordinary Shares at the period end (the potential number of Ordinary Shares in issue at 31 May 2010 was 27,378,377).

SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the year ended 30 November 2010

	Revenue	Capital	Total Return
	£'000s	£'000s	£'000s (Note 2)
Net gains on investments held at fair value	-	23,595	23,595
Exchange (losses) gains on currency balances	-	58	58
Income from investments	261	-	261
Investment management fee	(699)	(2,224)	(2,923)
Administration expenses	(305)	-	(305)
Net return before finance costs and taxation	(743)	21,429	20,686
Finance costs: Interest payable and similar charges	-	-	-
Net return on ordinary activities before taxation	(743)	21,429	20,686
Taxation	(36)	-	(36)
Net return attributable to Ordinary Shareholders	(779)	21,429	20,650
Return per Ordinary Share (Note 1)			
Undiluted	(3.43p)	94.45p	91.02p
Diluted	(3.39p)	93.39p	90.00p

BALANCE SHEET

as at 30 November 2010

Investments at fair value through profit or loss	82,880
Net current assets	(135)
Total Net Assets	82,745
Called up Share Capital	5,943
Share Premium Account	23,562
Capital Redemption Reserve	1,021
Capital Reserves	64,240
Revenue Reserve	(12,021)
Shareholders' Funds	82,745
Net Asset Value per Ordinary Share	
Undiluted	365.2p
Diluted	348.3p

The undiluted net asset value is based on 22,658,090 Ordinary Shares in issue.

As at 30 November 2010 there were an additional 924,503 Ordinary Shares held in treasury.

The diluted net asset value per Ordinary Share assumes that all outstanding subscription shares were converted into Ordinary Shares at the period end (the potential number of Ordinary Shares in issue at 30 November 2010 was 27,378,377).

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Called up Share Capital £'000s	Share Premium Account £'000s	Capital Redemption Reserve £'000s	Capital Reserve £'000s	Revenue Reserve £'000s	Total £'000s
Six months ended 31 May 2011						
Net Assets at 30 November 2010	5,943	23,562	1,021	64,240	(12,021)	82,745
Revenue Return	-	-	-	-	(424)	(424)
Shares repurchased during the year	-	-	-	-	-	-
Conversion of Subscription Shares	31	316	-	-	-	347
Capital Return	-	-	-	7,226	-	7,226
Net Assets at 31 May 2011	5,974	23,878	1,021	71,466	(12,445)	89,894
Six months ended 31 May 2010						
Net Assets at 30 November 2009	5,932	23,453	1,021	43,539	(11,242)	62,703
Revenue Return	-	-	-	-	(375)	(375)
Shares repurchased during the year	-	-	-	(728)	-	(728)
Conversion of Subscription Shares	11	109	-	-	-	120
Capital Return	-	-	-	11,516	-	11,516
Net Assets at 31 May 2010	5,943	23,562	1,021	54,327	(11,617)	73,236
Year ended 30 November 2010						
Net Assets at 30 November 2009	5,932	23,453	1,021	43,539	(11,242)	62,703
Revenue Return	-	-	-	-	(779)	(779)
Shares repurchased during the year	-	-	-	(728)	-	(728)
Conversion of Subscription Shares	11	109	-	-	-	120
Capital Return	-	-	-	21,429	-	21,429
Net Assets at 30 November 2010	5,943	23,562	1,021	64,240	(12,021)	82,745

SUMMARY OF UNAUDITED RESULTS

CASH FLOW STATEMENT

For the six months ended 31 May 2011 and comparative periods

	Six Months ended 31 May 2011	Six Months ended 31 May 2010	Year ended 30 November 2010
	£'000s	£'000s	£'000s
Net cash (outflow) from operating activities	(2,694)	(268)	(605)
Return on investment and servicing of finance			
Interest paid	(1)	-	-
Capital expenditure and financial investment			
Purchase of investments	(58,916)	(45,857)	(89,317)
Sales of investments	65,506	46,513	90,344
Net cash inflow from capital expenditure and financial investment	6,590	656	1,027
Net cash inflow before financing	3,895	388	422
Purchase of Ordinary Shares for cancellation and holding in treasury	-	(728)	(728)
Conversion of Subscription Shares	347	120	120
Net cash inflow (outflow) from financing	347	(608)	(608)
Net cash inflow (outflow)	4,242	(220)	(186)
Reconciliation of Return on Ordinary Activities before Taxation to Net Cash Flow from Operating Activities			
Net revenue before taxation	6,823	11,159	20,686
Less: Net gains on investments at fair value	(7,377)	(11,551)	(23,595)
Less: Effective yield amortisation on fixed income investments	-	-	(1)
Less: Net losses (gains) on foreign currency	119	(134)	(58)
Less: Overseas tax suffered	(21)	(18)	(36)
	(456)	(544)	(3,004)
(Increase) Decrease in debtors	(18)	176	203
(Decrease) Increase in creditors	(2,220)	100	2,196
Net cash outflow from operating activities	(2,694)	(268)	(605)
Reconciliation of net cash flow to movement in net funds			
Net cash inflow (outflow)	4,242	(220)	(186)
Net (losses) gains on foreign currencies	(119)	134	58
Movement in net funds	4,123	(86)	(128)
Net funds brought forward	2,353	2,481	2,481
Net funds carried forward	6,476	2,395	2,353

INVESTMENT PORTFOLIO

as at 31 May 2011

Investment	Sector	Country	Fair Value £'000	% of Portfolio
Amazon.com	General Retailer	United States	4,410	5.4
Citrix Systems	Software & Computer Services	United States	3,691	4.5
Apple	Technology & Hardware Equipment	United States	3,439	4.2
Google	Software & Computer Services	United States	3,272	4.0
Salesforce.com	Software & Computer Services	United States	3,132	3.8
Baidu.com	Software & Computer Services	China	3,041	3.7
Qlik Technologies	Software & Computer Services	United States	2,993	3.7
NetApp	Technology & Hardware Equipment	United States	2,855	3.5
Ericsson	Technology & Hardware Equipment	Sweden	2,677	3.3
Ctrip.com	Travel & Leisure	China	2,543	3.1
Top ten investments			32,053	39.2
Netflix	General Retailer	United States	2,432	3.1
Sunpower	Alternative Energy	United States	2,171	2.7
Adtran	Technology & Hardware Equipment	United States	1,995	2.4
Aixtron	Technology & Hardware Equipment	Germany	1,976	2.4
Qualcomm	Technology & Hardware Equipment	United States	1,919	2.4
Tibco Software	Software & Computer Services	United States	1,885	2.3
Oracle	Software & Computer Services	United States	1,854	2.3
EMC	Technology & Hardware Equipment	United States	1,835	2.3
Quanta Services	Construction & Materials	United States	1,834	2.3
Acme Packet	Technology & Hardware Equipment	United States	1,826	2.2
Top twenty investments			51,780	63.6
Energys	Electronic & Electrical Equipment	United States	1,816	2.2
Hitachi	Electronic & Electrical Equipment	Japan	1,814	2.2
Autonomy	Software & Computer Services	United Kingdom	1,809	2.2
Johnson Controls	Automobiles & Parts	United States	1,807	2.2
Ebay	General Retailer	United States	1,705	2.1
Intuit	Software & Computer Services	United States	1,549	1.9
Avago Technologies	Technology & Hardware Equipment	Singapore	1,497	1.8
Veeco Instruments	Electronic & Electrical Equipment	United States	1,474	1.8
Ariba	Software & Computer Services	United States	1,109	1.4
Priceline.com	Travel & Leisure	United States	1,044	1.3
Top thirty investments			67,404	82.7
China Telecom Corporation	Fixed Line Telecommunications	China	992	1.2
Rackspace Hosting	Software & Computer Services	United States	927	1.1
HTC	Technology & Hardware Equipment	Taiwan	927	1.1
Monsanto	Food Producers	United States	905	1.1
Analog Devices	Technology & Hardware Equipment	United States	889	1.1
On Semiconductor	Technology & Hardware Equipment	United States	868	1.1
Athenahealth	Software & Computer Services	United States	867	1.1
Texas Instruments	Technology & Hardware Equipment	United States	858	1.1
Spansion	Technology & Hardware Equipment	United States	837	1.0
Ciena	Technology & Hardware Equipment	United States	820	1.0
Top forty investments			76,294	93.6
Aspen Technology	Software & Computer Services	United States	731	0.9
Skyworks Solutions	Technology & Hardware Equipment	United States	696	0.9
E Ink Holdings	Electronic & Electrical Equipment	Taiwan	689	0.8
Informatca	Software & Computer Services	United States	635	0.8
Phoenix New Media	Media	United States	551	0.7
Tesla Motors	Automobiles & Parts	United States	547	0.7
Amphenol	Electronic & Electrical Equipment	United States	401	0.5
First Solar	Alternative Energy	United States	388	0.5
MicroDose*	Technology & Hardware Equipment	United States	318	0.4
Longtop #	Software & Computer Services	China	188	0.2
Top fifty investments			81,438	100.0

Linkedin	Support Services	United States	25	0.0
Renren	General Retailer	United States	3	0.0
Chinacache International Holdings	Software & Computer Services	United States	1	0.0
Top fifty-three investments			81,467	100.0
Total Equity Investments			81,467	100.0

* Unquoted investment
Director's valuation

Listed Derivatives	Fair Value
Investment	£'000
Powershares QQQ Nasdaq 100 Aug 2011 58	1,008
Powershares QQQ Nasdaq 100 Aug 2011 55	894
Purchased Put Options	1,902
Powershares QQQ Nasdaq 100 Aug 2011 52	(239)
Powershares QQQ Nasdaq 100 Aug 2011 50	(258)
Written Put Options	(497)
Total Listed Derivatives	1,405

NOTES

Note 1

The undiluted return per Ordinary Share is based on the weighted average number of shares in issue of 22,692,342 (31 May 2010 - 22,717,722; 30 November 2010 - 22,687,823).

The diluted return per Ordinary Share is based on the weighted average number of Ordinary Shares in issue during the period of 23,682,154 (31 May 2010 - 28,837,766; 30 November 2010 - 22,946,089), as adjusted in accordance with requirements of Financial Reporting Standard 22 'Earnings per share'.

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 period.

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.

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.

Unlisted and unquoted investments are valued by the Directors in accordance with the International Private Equity and Venture Capital Guidelines issued in September 2009.

Note 4

The Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements, as the assets of the Company consist mainly of securities which are readily realisable and accordingly, that the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Note 5

The half yearly financial report has neither been audited nor reviewed by the Company's auditors. The financial information for the year ended 30 November 2010 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 financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

In accordance with the UK's disclosure requirements for listed companies, the Company is required to make limited additional and updated disclosures, mainly relating to the first and third quarters of the financial year. These Interim Management Statements will be released via the Regulatory News Service and posted on the Company's website www.rcmtechnologytrust.co.uk on or shortly before 19 April and 19 October each year.

The half-yearly financial report will be sent to Shareholders shortly and made available to the public at the Registered Office of the Company, 155 Bishopsgate, London EC2M 3AD.

For further information, please contact:

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