

# **RIO Prestige Performance Fund**

14 March 2008

The Fund's main holding, RIO Prestige Performance UK Ltd, is now widely seen as the UK's top hire provider of super cars. The company is now booked in for several key shows and events through 2008 - see attached. This will strengthen the company's market position considerably. One such event, "RIO vs. RAF in aid of charity" has again put RIO Prestige into the spotlight, the company appearing on the STV 6 O' clock news, which was aired throughout Scotland this week. RIO Prestige events continue to capture the media's attention, and sets RIO distinctly apart from any potential competition.

These events produce a massive volume increase in bookings on the company web site, lifting the company's ranking on the web which, in turn, leads to more hire bookings. Publicity like this cannot be bought, perhaps one reason why hire bookings for summer periods have increased year on year up over 200% since inception. Bookings for March are also higher overall, as are April's, which are already over 20% on 2005 and 14% on 2006's numbers. This rate of growth bodes well for the company.

The key upcoming event is the RIO vs RAF for which details can be seen on the two web sites below.

[http://www.helpforheroes.org.uk/events\\_listings.html#43](http://www.helpforheroes.org.uk/events_listings.html#43)

[http://www.stv.tv/info/newsTayside/20080310/RAF\\_Leuchars\\_to\\_host\\_charity\\_races\\_20080310](http://www.stv.tv/info/newsTayside/20080310/RAF_Leuchars_to_host_charity_races_20080310)

This event has several confirmed members of the press attending, and has just been approached by Sky News and STV TV News, who also both wish to attend. RIO Prestige is certain to benefit from this massive media exposure, which is expected to more than compensate for the downturn due to the exceptionally bad weather seen in Scotland during December and January, the worst in many years. This resulted in RIO Prestige having almost the whole fleet laid up throughout these months, and provides a very strong reason why RIO requires an English office to take advantage of the generally milder winter climate found further south. The effective hire season can be extended by two months and significantly increase winter revenues.

It has taken over two years to achieve top status. Importantly, all competitors, as well as the media, now recognise RIO Prestige as the market leader and as the bench mark for the business as a whole. The planned and expedited branding exercise has been successful; RIO Prestige is now a household name in Scotland with an unmatched reputation for quality of service. This message is being relayed throughout the media in England, where many news articles on RIO Prestige have been published over the past year. This was an important target from the beginning, and the basis from which it was planned to negotiate a favorable merger or takeover of a well established London based supercar hire company. With the successful outcome of this negotiation, RIO will immediately become by far the largest provider with the best fleet of supercars, and the dominant force in the UK.

As reported previously we have been in negotiation with this London-based company for over three years. They have a large and loyal client base. Several intense meetings have been held with the directors of this company on this matter over the past eight months. They also see the advantages of the merger and are flying to Scotland again this month for further talks.

A recent survey conducted by this London based company promoting only RIO's Spyker clearly demonstrated that their customers would hire our vehicles immediately. In fact, their customers wanted to book the vehicle the same day they conducted the survey. With just one e-mail to their customer base, there was an immediate response for sixteen possible bookings at £3000 a weekend, which translates into £48k of extra revenue from just one of RIO's unique vehicles. The reason for the inspired interest is that no other company in the UK offers such vehicles for hire. In total, the London company's client base produced over forty registered enquires into the cost and availability of the Spyker on first exposure. If one adds to this the opportunity to hire RIO's Koenigsegg or Zonda and a very attractive picture emerges. RIO could increase its revenue significantly from these three vehicles alone by a suitable coordination of interests, to which RIO can input the important added advantage of having obtained the manufacturers' approval to being the first manufacturer-approved hyper car Hire Company in the world. The above would result in dramatic savings in current delivery costs transporting hired vehicles to England from the company's current base in Scotland.

Finally in this update, the BBC will air RIO Prestige footage shot in November 2007 in London to the whole UK in June just before the summer season gets into full swing. It is predicted that 2008 should be busy and prosperous for the company as the high season approaches, and hence for the RIO Prestige Performance Fund, which holds shares in this UK registered business.

William Gray  
Chairman