

British Smaller Companies VCT2 plc

Issue of Equity

British Smaller Companies VCT2 plc (the “Company”) and British Smaller Companies VCT plc are seeking to raise £30 million in aggregate by way of offers for subscription (“Offers”). Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT plc on 20 October 2014 (the “Prospectus”).

The Company announces that on 6 January 2015 it made the first issue of ordinary shares pursuant to these Offers by allotting an aggregate of 7,417,987 ordinary shares of 10 pence each raising gross proceeds of £4.9 million. These allotments were made in respect of valid subscriptions received on or before 31 December 2014, for the tax year 2014/2015 pursuant to the Offers. In accordance with the pricing formula set out in the Prospectus the new ordinary shares were allotted at offer prices of between 65.50 to 69.13 depending on the adviser charge (if applicable) and the number of shares issued pertaining to each application.

Together the Company and British Smaller Companies VCT plc have in total raised gross proceeds of £12.0 million in this first allotment and, after taking into consideration the costs of the Offers, this gives net total proceeds of approximately £11.5 million. The Company has raised net proceeds of approximately £4.7 million and British Smaller Companies VCT plc has raised net proceeds of approximately £6.8 million.

Robert Pettigrew, non-executive Director of the Company, has been allotted 9,258 ordinary shares of 10 pence in the Company which takes his total shareholding to 68,017 ordinary shares in the Company.

Peter Waller, non-executive Director of the Company, has been allotted 9,251 ordinary shares of 10 pence in the Company which takes his total shareholding to 35,230 ordinary shares in the Company.

Employees of the investment adviser, YFM Private Equity Limited, have subscribed £0.05 million under the Offers for 62,905 ordinary shares in both the Company and British Smaller Companies VCT plc and have been allotted 29,220 shares in the Company. Following this allotment, employees of YFM Private Equity hold 148,666 ordinary shares of 10 pence in the Company, and 440,390 shares across both VCTs.

Applications are now being made by the Company for the ordinary shares which were allotted on 6 January 2015 to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities, and dealings are expected to commence on or around 20 January 2015.

Following the allotment of 7,417,987 ordinary shares, the Company's issued share capital consists of 69,974,863 ordinary shares with voting rights ("Voting Capital") and 1,910,022 shares held in Treasury.

The above statement of Voting Capital may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FCA's Disclosure and Transparency Rules.

The Offers remain open. A copy of the Prospectus was submitted to the National Storage Mechanism and is available to the public for viewing online at the following web-site address: <http://www.hemscott.com/nsm.do>. It can also be viewed on the Company's website <http://www.yfmep.com>.

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For further information, please contact:

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