

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 2 February 2015 it made the second issue of ordinary shares pursuant to the Offers by allotting 2,893,324 ordinary shares of 10 pence each raising gross proceeds of £1.7 million. These allotments were made in respect of valid subscriptions received 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 63.25 pence to 66.23 pence depending on the adviser charge (if applicable) and the number of shares issued pertaining to each application.

Of the 2,893,324 ordinary shares allotted, 244,050 shares are in respect of valid subscriptions received on or before 31 December 2014, which were not allotted in the Company's first issue of shares pursuant to the Offers on 6 January 2015. The Net Asset Value of 63.3 pence per share at 30 September 2014 was used to calculate the number of shares allotted on 6 January 2015, but this should have been reduced to 61.3 pence per share to account for the interim dividend of 2 pence per share that was paid on 7 October 2014. The additional allotment is in accordance with the terms of the Offers and ensures that these shareholders now hold the correct number of shares. An explanatory letter will be sent to all shareholders who will receive these shares. The remaining 2,649,274 ordinary shares are in respect of valid subscriptions received after 31 December 2014 and on or before 30 January 2015.

Together the Company and British Smaller Companies VCT plc have in total raised gross proceeds of £16.4 million under the offer. After taking into consideration the costs of the Offers, this gives net total proceeds of approximately £15.6 million. The Company has raised net proceeds of approximately £6.3 million and British Smaller Companies VCT plc has raised net proceeds of approximately £9.3 million.

Robert Pettigrew, non-executive Director of the Company, has been allotted 286 ordinary shares of 10 pence in the Company which takes his total shareholding to 68,303 ordinary shares in the Company.

Peter Waller, non-executive Director of the Company, has been allotted 330 ordinary shares of 10 pence in the Company which takes his total shareholding to 35,560 ordinary shares in the Company.

Employees of the investment adviser, YFM Private Equity Limited, have been allotted 902 ordinary shares of 10 pence in the Company. Following this allotment, employees of YFM Private Equity hold 149,568 ordinary shares of 10 pence in the Company, and 443,663 shares across both VCTs.

Applications are now being made by the Company for the ordinary shares which were allotted on 2 February 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 16 February 2015.

Following the allotment of 2,893,324 ordinary shares, the Company's issued share capital consists of 72,868,187 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.bscfunds.com>.

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For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Emily Watts	Nplus1 Singer Advisory LLP	Tel: 020 7496 3000