

## **BRITISH SMALLER COMPANIES VCT PLC**

### **ALLOTMENT OF SHARES AND ADJUSTMENT TO OFFER PRICE FOR SHARES UNDER THE JOINT OFFERS FOR SUBSCRIPTION**

British Smaller Companies VCT plc (“the Company”) and British Smaller Companies VCT2 plc (“BSC2”) are seeking to raise up to £15 million, in aggregate, by way of offers for subscription of up to 8,780,488 ordinary shares in the Company and of up to 12,811,388 ordinary shares in BSC2 (“Offers for Subscription”). Full details of the Offers for Subscription are contained in a prospectus issued by the Companies on 8 December 2010 (“Prospectus”).

The Company announces that on 22 March 2011 it allotted 2,025,838 ordinary shares of 10 pence each (“Ordinary Shares”) at a price of 128 pence per Ordinary Share in respect of valid subscriptions received for the tax year 2010/2011 pursuant to the Offers for Subscription. Of the Ordinary Shares allotted, 6,137 were allotted to Helen Sinclair and 1,972 were allotted to Edward Buchan (being directors of the Company), their having submitted their applications for subscription prior to 28 February 2011.

The directors of the Company further announce that the unaudited net asset value of the Company with effect from 28 February 2011 was 120.9 per Ordinary Share increased from 96.8 pence per Ordinary Share as set out in the Prospectus representing an increase of 24.9%. This increase in the unaudited net asset value of the Company has arisen as a result of two new portfolio considerations; a revision of the aggregate portfolio valuation and a revision of an individual portfolio valuation following indicative offers to acquire some or all of the Company’s investment by external parties.

These approaches have valued the portfolio company using a different valuation methodology to the one historically used in the Company’s accounts. The board of the Company has decided to adopt this valuation methodology and this has increased the valuation of the investment which in turn has increased the Company’s unaudited net asset value. The new valuation does not fully reflect the value that might be achieved if one of these

approaches leads to a completed transaction and there can be no certainty that this will be the outcome.

In addition, there is a revision of the aggregate portfolio valuation of the Company as a result of updating the valuations of the quoted and unquoted portfolio as of 28 February 2011.

In consequence the Offer Price (as defined in the Prospectus) was adjusted on 22 March 2011 in accordance with the Pricing Mechanism described in the Prospectus to take account of the increased unaudited net asset value of the Company as at the last day of the month preceding the allotment on 22 March 2011. Accordingly, the Ordinary Shares allotted by the Company on 22 March 2011 were, and (subject to no further adjustments to the net asset value of the Company) all further allotments of Ordinary Shares by the Company pursuant to the Offers for Subscription will be, allotted at 128 pence per Ordinary Share, being the unaudited net asset value as at 28 February 2011 plus 5.5% of gross proceeds (rounded to the nearest 0.25 pence per share).

Application is now being made for the Ordinary Shares which were allotted on 22 March 2011 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 29 March 2011.

Following the allotment of the Ordinary Shares on 22 March 2011 the Company's issued share capital consists of 34,600,480 Ordinary Shares with voting rights ("Voting Capital") and 1,861,285 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 FSA's Disclosure and Transparency Rules.

A further allotment of Ordinary Shares will be made by the Company on 5 April 2011 in respect of valid subscriptions for the tax year 2010/2011 received and accepted by the Company after 11.00 am on 22 March 2011 and before the close of the Offers in respect of the tax year 2010/2011 at 11.00am on 5 April 2011.

An allotment of Ordinary Shares will be made by the Company on 4 May 2011 in respect of valid subscriptions for the tax year 2011/2012 received and accepted by the Company before 11.00am on 4 May 2011.

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