



Issue date: 27 November 2007

VCT FOR INCOME:

NVM ANNOUNCES NEW SHARE ISSUE BY NORTHERN 2 VCT

- **Proven track record of strong and consistent dividend stream plus maturing investment portfolio will have strong appeal for investors**

One of the longest-established VCT managers, NVM Private Equity, is set to enter this year's VCT fund-raising arena with the announcement of an issue of up to 16 million new ordinary shares by its Northern 2 VCT.

Open to existing shareholders and new investors by 30 November, Northern 2 VCT has a proven track record of delivering a strong and consistent dividend stream. Since launch the trust has paid approximately £14 million in dividends to its shareholders, and new investors will benefit from a maturing investment portfolio yielding both revenue and capital dividends. The directors have announced their intention of maintaining an annual dividend of at least 5.5p per share, a level already achieved in each of the last three financial years.

NVM has over 20 years' experience of investing in unquoted companies and is recognised as a prominent fund manager in the VCT market, with over £190 million of private equity assets under management in five funds (four VCTs and one private equity investment trust). Based on an expected issue price of 95p per share, the Northern 2 VCT offer will raise up to £14 million, taking the company's capital base to almost £60 million.

Tim Levett, Investment Director at NVM Private Equity, said: “NVM is entering the market this year with a strong flow of investment opportunities. We took a deliberate decision not to raise new VCT funds last year and have avoided putting ourselves under pressure to invest funds too quickly. Over the past twelve months this has enabled us to having completed some excellent new investments and achieved a number of profitable exits for our clients this year. We are under no pressure to increase our deal flow at present and, in fact, among our peer group, we believe we have the lowest ratio of funds to be invested in VCT qualifying investments to net assets under management”.

“In 2006 we made four new unquoted investments totalling over £18 million. In the first nine months of 2007 we completed six new unquoted investments totalling £22 million, already 20% up on the corresponding figure for the whole of 2006.

“Since the beginning of September we have achieved three significant exits. Ithaca Holdings was sold to United Business Media (UBM), generating a cash multiple of three times our original investment with an annual internal rate of return (IRR) of over 60%. In October KCS Global Holdings was sold to Sage Group for £20 million, realising 2.9 times our original investment and an IRR of over 50%, and most recently in November we have sold Barony Universal Products to JSE Arnest generating nearly a six times money multiple and an IRR of almost 30% over an eight year period. NVM has other realisations in the pipeline. “

NVM's fund management expertise and investment track record are also demonstrated in Northern 2's sister fund; Northern Venture Trust (NVT). NVT announced its latest annual results on 12 November and has maintained a dividend of 9p per ordinary share for the fourth year in succession. The company has paid over £23.5 million in dividends to shareholders since its launch in 1995.

Tim Levett concluded: “VCT investors should concentrate on established players in the market who have an experienced investment team and can demonstrate a return to investors of a stream of strong tax-free dividends. “

The key points of the offer are expected to be as follows:

- Northern 2 VCT PLC – up to £14 million Ordinary Share issue (“top up”)
- Launch by 30 November 2007
- Offer price per share – 95p
- 30% income tax relief on subscriptions up to £200,000 in 2007/08 tax year
- Minimum investment £5,000
- Active share buy-back policy at 10% discount to NAV
- The Northern 2 VCT share issue will be promoted by Downing Corporate Finance, one of the leading specialists in the VCT market.

- E N D S -

**Further information call Downing Corporate Finance
on 0207 416 7780**

FOR FURTHER INFORMATION PLEASE CONTACT:

Lansons Communications

Karen Mignon - 0207 294 3685 karenm@lansons.com

Caroline Macleod-Smith – 0207 566 9702 carolinems@lansons.com

NVM

Liberty Bollen - 0118 951 7000 liberty.bollen@nvm.co.uk

NOTES TO EDITORS:

Northern 2 VCT PLC

- is a Venture Capital Trust established under the legislation introduced in the Finance Act 1995
- has net assets of £43m

NVM Private Equity

- has over £190m under management in four VCTs and one private equity investment trust:
 - Northern Investors Company PLC (listed investment trust)
 - Northern Venture Trust PLC
 - Northern 2 VCT PLC
 - Northern AIM VCT PLC
 - Northern 3 VCT PLC
- is independently owned with over 20 years' experience of investing in UK businesses
- has managers living and working on the ground in regional business communities across the UK
- is a generalist investor specialising in making equity investments in UK unquoted companies.
- considers opportunities requiring between £2m and £10m.