



Issue date: 22 November 2011

Northern 2 VCT launches new share issue to raise up to £15m

- **Income – minimum 9.7% target tax-free yield**
- **Annual tax-free dividend of at least 5.5 pence per share targeted**
- **Strong portfolio of growing UK businesses**
- **30% income tax relief available on subscriptions**

Northern 2 VCT PLC, a Venture Capital Trust (VCT) managed by **NVM Private Equity**, has launched a public offer of new ordinary shares with a target of raising up to £15 million (before expenses). Northern 2 VCT was originally launched in 1999 and, with net assets of over £45 million, is one of the largest VCTs in existence. The fund already has holdings in 43 different unquoted companies.

Tim Levett, Chairman of NVM Private Equity, comments: *“Our three VCTs, Northern 2 VCT, Northern 3 VCT and Northern Venture Trust, are all established funds with substantial investments in unquoted growing UK businesses. This can be beneficial to new investors as they can see where the majority of their funds are being applied, rather than investing ‘blind’ into new VCT launches in the hope that the manager will generate sufficient deal flow to carry out the intended investment strategy. A large established fund may also be lower risk than a new VCT that does not raise sufficient funds to diversify its portfolio.”*

Northern 2 VCT has a track record of paying consistent dividends whilst seeking to maintain its net asset value. Annual dividends of at least 5.5p per share have been paid over the last seven years. This represents a tax-free yield of 9.7% per annum (gross equivalent of 12.9% to a 40% taxpayer) on the 81p initial offer price net of 30% tax relief. The fund also offers the benefit of low running costs by VCT standards at 2.7% per annum (based on 14 months to 31 March 2011).

NVM Private Equity has been an active investor in smaller UK unquoted companies since 1988 and has over £200 million under management. The investment team is 11 strong, with combined private equity experience of over 185 years. In the past 12 months, the NVM funds have invested over £27 million in growing businesses across the UK, including **Cawood Scientific, Tinglobal Holdings, Kitwave One, Control Risks Group, Closer2 Investments and Altacor.**

In order to provide existing shareholders with the opportunity to realise value, Northern 2 VCT has also launched a **tender offer**. The company will buy back 10% of its issued share capital at a 3% discount to the published net asset value (NAV) as at 30 September 2011. Shareholders can tender as many shares as they wish and are entitled to have at least 10% of their shareholding repurchased by the company.

The Northern 2 VCT share issue is promoted by VCT marketing specialists Downing LLP, who have been working with NVM in this role since 1999.

To reward loyalty and encourage early applications, an “**early bird**” incentive equivalent to 2% of the issue price is available for all existing NVM VCT shareholders and 1% for new investors until 6 February 2012.

The key points of the offer are as follows:

- **Funds sought** – up to £15 million (before expenses)
- **Offer price per share** – initially 81.0p (NAV less interim dividend, plus 5.5%, rounded up)
- **30% income tax relief** on subscriptions up to £200,000 in 2011/12 and 2012/13 tax years
- **Minimum investment** £5,000
- **Closing dates:** 5 April 2012 (for 2011/12 tax year) and 30 April 2012 (for 2012/13 tax year)
- “**Early bird**” incentives until 6 February 2012 – equivalent to 2% of the issue price for existing shareholders in NVM VCTs and 1% for new investors.

----- ENDS -----

Notes to editors:

Further information (including Investor Guide and Prospectus) is available from the NVM website at www.nvm.co.uk/investor-area/open-funds

NVM Private Equity Limited (NVM) is independently owned with over 27 years’ experience of investing in unquoted UK businesses. NVM is a generalist investor, managing over £200 million of funds, and is differentiated by having executives living and working in regional business communities throughout the UK. NVM seeks investment opportunities in UK businesses which have the right mix of growth potential and market vision. They may be looking to grow organically, acquire another business or secure a management buy-out. Typically, NVM looks to invest between £2 million and £10 million in each transaction. www.nvm.co.uk

----- CONT'D -----

Northern 2 VCT PLC is a Venture Capital Trust (VCT) managed by NVM and currently has net assets of approximately £45 million. It invests mainly in unquoted venture capital holdings and aims to provide high long-term tax-free returns to shareholders through a combination of dividend yield and capital growth. www.nvm.co.uk/n2vct

For further information please contact: NVM

- Tim Levett (Chairman) – 0118 951 7010
- Liberty Bollen (PR & Marketing) - 0118 951 7017 liberty.bollen@nvm.co.uk