

08

Aberdeen Growth Opportunities VCT 2 PLC

Interim Report

Six months ended 30 June 2008 (unaudited)



Contents

| | |
|----|--|
| 1 | Ordinary Shares Financial Highlights |
| 2 | S Ordinary Shares Financial Highlights |
| 3 | Investment Manager's Review |
| 6 | Directors' Responsibility Statement |
| 7 | Analysis of Unlisted and AIM Portfolio |
| 9 | Summary of Investment Changes |
| 10 | Investment Portfolio Summary |
| 12 | Income Statement |
| 12 | Reconciliation of Movements in Shareholders' Funds |
| 15 | Balance Sheet |
| 16 | Cash Flow Statement |
| 17 | Notes to the Financial Statements |
| 19 | Corporate Information |

Ordinary Shares Financial Highlights

Financial History

| | 30 June 2008 | 31 December 2007 | 31 December 2006 |
|--|--------------|------------------|------------------|
| Net asset value | £7,955,000 | £8,221,000 | £8,789,000 |
| Net asset value per Ordinary share | 101.5p | 104.9p | 112.2p |
| Total return (without initial tax relief) ¹ | 111.0p | 112.9p | 114.2p |
| Total return (with initial tax relief) ² | 151.0p | 152.9p | 154.2p |
| Share price ³ | 68.0p | 82.0p | 96.5p |
| Discount to net asset value | (33.0)% | (21.8)% | (14.0)% |
| Ordinary shares in issue | 7,835,163 | 7,835,163 | 7,835,163 |

¹ Sum of current net asset value and dividends paid to date

² Sum of current net asset value, initial income tax relief at 40% and dividends paid to date

³ Source: Bloomberg

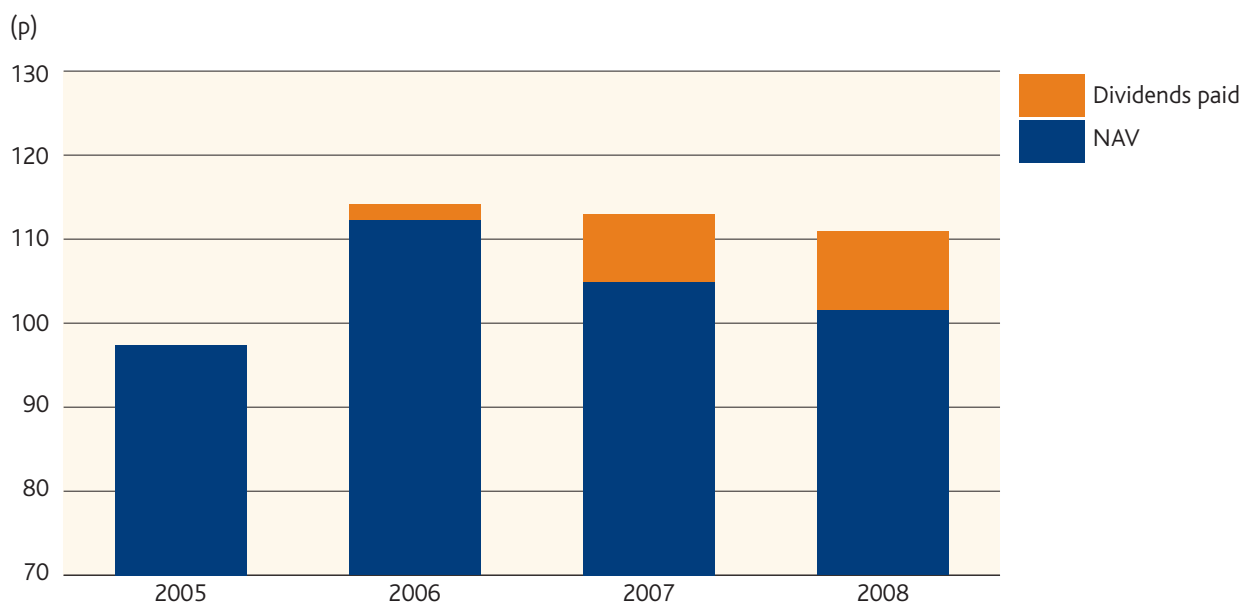
Dividends

| Year ended December | Payment date | Revenue/ capital | Interim/ final | Rate (p) | Gross equivalent (p) ⁴ | % of cost returned ⁵ |
|---|-----------------|---------------------|-------------------|-------------|--------------------------------------|------------------------------------|
| 2006 | 30 October 2006 | Capital | Interim | 2.0 | 2.7 | 4.4 |
| | 19 January 2007 | Capital | Interim | 3.5 | 4.7 | 7.8 |
| | 18 May 2007 | Revenue | Final | 0.5 | 0.7 | 1.1 |
| 2007 | 24 October 2007 | Capital | Interim | 2.0 | 2.7 | 4.4 |
| | 20 May 2008 | Revenue | Final | 1.5 | 2.0 | 3.3 |
| 2008 | 17 October 2008 | Capital | Interim | 1.0 | 1.3 | 2.2 |
| Total dividends paid or declared | | | | 10.5 | 14.1 | 23.2 |

⁴ The Gross Equivalent is the equivalent to a higher rate taxpayer of a dividend from a UK equity which is subject to income tax

⁵ % of Cost Returned is the Gross Equivalent expressed as a percentage of the 60p net cost of investment for a higher rate taxpayer who invested in the Offer for Subscription

NAV Performance



The bar chart shows the total return (net asset value plus dividends paid since launch) as at 31 December each year, except for 2008 which is as at 30 June 2008.

S Ordinary Shares Financial Highlights

Financial History

| | 30 June 2008 | 31 December 2007 |
|--|--------------|------------------|
| Net asset value | £4,907,000 | £4,831,000 |
| Net asset value per Ordinary share | 98.7p | 97.2p |
| Total return (without initial tax relief) ¹ | 99.95p | 97.2p |
| Total return (with initial tax relief) ² | 129.95p | 127.4p |
| Share price ³ | 100.0p | 100.0p |
| Discount to net asset value | 1.3% | 2.9% |
| Ordinary shares in issue | 4,972,459 | 4,972,459 |

¹ Sum of current net asset value and dividends paid to date

² Sum of current net asset value, initial income tax relief at 30% and dividends paid to date

³ Source: Bloomberg

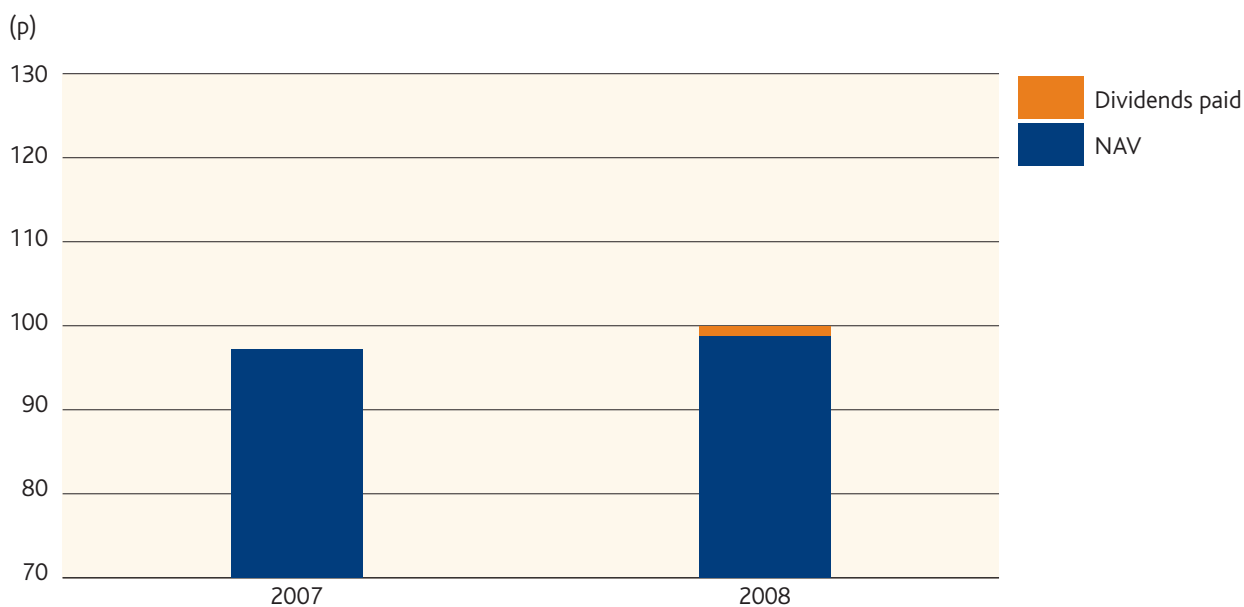
Dividends

| Year ended December | Payment date | Revenue/ capital | Interim/ final | Rate (p) | Gross equivalent (p) ⁴ | % of cost returned ⁵ |
|---|-----------------|---------------------|-------------------|-------------|--------------------------------------|------------------------------------|
| 2007 | 20 May 2008 | Revenue | Final | 1.25 | 1.7 | 2.4 |
| 2008 | 17 October 2008 | Capital | Interim | 1.0 | 1.3 | 1.9 |
| Total dividends paid or declared | | | | 2.25 | 3.0 | 4.3 |

⁴ The Gross Equivalent is the equivalent to a higher rate taxpayer of a dividend from a UK equity which is subject to income tax

⁵ % of Cost Returned is the Gross Equivalent expressed as a percentage of the 70p net cost of investment for a higher rate taxpayer who invested in the Offer for Subscription

NAV Performance



The bar chart shows the total return (net asset value plus dividends paid since launch) as at 31 December each year, except for 2008 which is as at 30 June 2008.

Investment Manager's Review

For the six months ended 30 June 2008

We are pleased to report on a period of stable performance for your Company at a time when equity markets generally have seen a downward trend and prices are likely to remain volatile given the prevailing economic conditions.

- Total Return on Ordinary Shares 111.0p per share at period end down 1.7% over the period
- Total Return on S Shares 99.95p per share at period end up 2.8% over the period
- NAVs at period end of 101.5p per Ordinary Share 98.7p per S Share
- Realised gains on AIM stocks equivalent to 0.4p per Ordinary Share and 1.5p per S Share

Performance

The Total Return per Ordinary Share at 30 June 2008 was 111.0p per share, a decrease of 1.7% over the equivalent figure at December 2007, while for the S Share pool it is 99.95p compared with 97.2p at the end of December 2007, an increase of 2.8%.

The Net Asset Value (NAV) per Ordinary share at 30 June 2008, after payment of the final dividend of 1.5p in respect of the year ended December 2007, was 101.5p compared with 104.9p at 31 December 2007.

The NAV per S Share at 30 June 2008 was 98.7p after payment of the final dividend of 1.25p in respect of the year ended 31 December 2007 which compares with 97.2p at the year end.

Dividends

The Company paid dividends totalling 3.5p to Ordinary Shareholders in respect of the year ended 31 December 2007; this represents a yield of 5.8% on the Ordinary Shares based on their net cost after initial tax relief. The yield is tax free and is therefore equivalent to a yield of 7.7% from a listed equity for a higher rate taxpayer.

The Company paid an initial dividend of 1.25p to S Shareholders in respect of the year ended 31 December 2007. Since this portfolio is still in its investment phase, dividends are likely to be lower and more variable until its investments mature. However, the payment of this dividend earlier than for the first dividend paid to the Ordinary Shareholders does demonstrate the benefit of spreading the cost base over a larger fund size.

The Board declares interim dividends of 1.0p, payable on 17 October 2008, to holders of Ordinary shares and S Ordinary shares on the registers at 19 September 2008.

Since the Company's launch, and after receipt of the interim dividend which has now been declared, holders of Ordinary shares will have received 10.5p in tax-free dividends, which is equivalent to 14.0p in dividends from a taxed equity investment. Taking the 40% initial tax relief into account, the cost of investment was 60p per share and, in three and a half years, shareholders will have received back the equivalent of 23%.

After payment of the interim dividend, holders of S Ordinary shares will have received 2.25p in tax-free dividends, equivalent to 3.0p from a taxed equity investment. If the initial tax relief of 30% is taken into account, the cost of investment was 70p per share, of which the equivalent of 4.3% has been paid back to shareholders in dividends.

VCT Qualifying Status

The VCT qualifying status of your Company is monitored on a continuous basis to ensure that all of the criteria required to maintain VCT status are being achieved. The Company must achieve a level of 70% on the combined Original and S Share pools by December 2009 to maintain qualifying status. The Company is well placed to achieve this and in fact could do so before December 2008 assuming deals under consideration actually complete.

Investment Activity

During the period ended 30 June 2008, seven new unlisted and AIM investments were completed and a total of £1.7 million was invested of which £819,000 was from the Original pool and £884,000 was from the S Share pool. At the period end, the portfolio stood at 60 unlisted and AIM investments at a total cost of £9.9 million. Since 30 June 2008, two further new investments have been made at a cost of £200,000.

Investment Manager's Review continued

| Investment | Date | Activity | Investment cost £'000 | | Website |
|----------------------------------|--------|---|--------------------------|-------------------|-------------------------------|
| | | | Ordinary shares | S Ordinary shares | |
| Unlisted | | | | | |
| Atlantic Foods | Feb-08 | Value -added food services supplier. | 199 | – | www.atlanticfoods.co.uk |
| Camwatch | Mar-08 | Provider of CCTV monitoring and installation services. | 50 | 149 | www.camwatch.co.uk |
| MoneyPlus | Jun-08 | Provider of debt management services to individuals. | 10 | 4 | www.moneyplusgroup.co.uk |
| Nessco | Jun-08 | Telecommunication services provider. | 124 | 199 | www.nessco.co.uk |
| Riverdale Publishing | Jun-08 | Publisher of greeting cards. | 10 | – | www.riverdalepublishing.co.uk |
| TC Communications | May-08 | Marketing and communications services agency. | 159 | 99 | www.tccommunications.co.uk |
| Training For Travel | Apr-08 | Provision of assessment, tuition and or training in travel services. | 149 | 174 | No website available |
| Total Unlisted investment | | | 701 | 625 | |
| AIM/PLUS | | | | | |
| Animalcare | Jan-08 | Markets and sells a wide range of pharmaceutical and other premium products and services to vets and vet wholesalers. | – | 100 | www.animalcare.co.uk |
| Betbrokers | Mar-08 | Provider of independent betting brokerage services. | 55 | 110 | www.betbrokers.com |
| Brookwell | Jun-08 | Close-ended investment company established to acquire AIM Securities and Listed Securities from financial institutions. | 14 | – | www.brookwelllimited.com |
| OPG Power Ventures | May-08 | Develops, owns and manages power generation plants in India. | 49 | 49 | www.opgpower.org |
| Total AIM/PLUS investment | | | 118 | 259 | |
| Total | | | 819 | 884 | |

The following investments have been completed during the period.

Aberdeen Growth Opportunities VCT 2 has co-invested with Aberdeen Income and Growth VCT, Aberdeen Growth VCT I, Aberdeen Growth Opportunities VCT, Talisman First Venture Capital Trust, Gateway VCT and Guinness Flight Venture Capital Trust in some or all of the above transactions and is expected to continue to do so with these as well as other clients of the Manager. The advantage is that, together, the funds are able to underwrite a wider range and size of transaction than would be the case on a stand alone basis.

Portfolio Developments

The table on page 5 gives details of all realisations during the reporting period.

There were two partial realisations from the unlisted investment portfolio during the period and a major realisation after the period end. The first partial realisation was from Lime Investments which had been set up as an investment vehicle with an entrepreneur well known to Aberdeen Asset Managers to seek acquisitions in the food sector; however, none has been completed within the timescales allowed by the VCT legislation and the company repaid the amount invested in loan stock together with a commercial yield and will be wound up. This will return the equity investment to the Company in due course. In addition during the reporting period, the second partial realisation was from Homelux which repaid part of its loan stock at par ahead of its repayment schedule.

Since the period end, the investment in ID Support Services has been sold at the holding value generating a gain of £184,000 split between the two pools which is a return, including the interest received during the life of the investment, of c1.8 times the cost of £254,000 over the fifteen month holding period.

Conditions in the AIM market continued to be testing during the reporting period and there were few opportunities to actively trade the portfolio. However, net realised gains of £34,000 were generated for the Original Pool and gains of £74,000 were achieved for the S Share pool during the period.

The FTSE AIM All-share index decreased over the period by 8.4% and has now fallen by over 20% since June 2007; in comparison the performance of the Company's portfolio varied significantly with the Original Pool showing a decline of 3.8% and the S Share pool an increase of 24.3% for the period. The reason for this divergence is related to the differences in the constituent holdings of the two portfolios with the newer investments performing relatively better than the older holdings, thus favouring the S Share pool. The underlying performance of the businesses in the AIM portfolio remains sound and is expected to remain so. It is anticipated that this will be reflected in positive share price movements when market conditions improve, although the timing is uncertain.

Risks and Uncertainties

The Board has reviewed the principal risks and uncertainties facing the Company in the second half of its financial year; these are unchanged from those it faced at the start of the year, being the risks involved in investment in small and unquoted companies. The Company remains compliant with the regulations governing venture capital trusts. The Manager closely monitors the position of the Company to ensure that it complies with the various tests at all times. In order to reduce the exposure to investment risk, the Company has reinvested in a broadly-based portfolio of investments in unlisted and AIM-quoted companies in the United Kingdom.

Outlook

The performance of the quoted markets generally has been volatile and it appears that these conditions will prevail for some time. Opportunities to invest in companies seeking to achieve an IPO on the AIM Market have therefore been limited and little change is expected in the short term.

The majority of the assets in the invested portfolio are in well managed private companies whose values are not directly affected by short term fluctuations in the quoted markets. This portfolio is still relatively young but is maturing and a number of successful realisations may be possible which will result in a continuing need to re-invest the proceeds in due course in accordance with the VCT Regulations.

Investments realised

| Investment | Date first invested | Complete/Partial Exit | Ordinary shares | | | S Ordinary shares | | |
|-----------------------|---------------------|-----------------------|----------------------------------|----------------------|--------------------------|----------------------------------|----------------------|--------------------------|
| | | | Cost of shares disposed of £'000 | Sales Proceeds £'000 | Realised Gain/Loss £'000 | Cost of shares disposed of £'000 | Sales Proceeds £'000 | Realised Gain/Loss £'000 |
| Unlisted | | | | | | | | |
| Homelux Nenplas | 2006 | Partial | 50 | 50 | – | – | – | – |
| Lime Investments | 2007 | Partial | 175 | 175 | – | – | – | – |
| | | | 225 | 225 | – | – | – | – |
| AIM/PLUS | | | | | | | | |
| AT Communications | 2005 | Complete | 20 | 14 | (6) | – | – | – |
| Craneware | 2007 | Partial | 29 | 47 | 18 | 10 | 15 | 5 |
| Darwen | 2007 | Partial | 60 | 163 | 103 | 40 | 109 | 69 |
| Expansys | 2007 | Complete | 31 | 6 | (25) | 8 | 2 | (6) |
| Imprint | 2005 | Complete | 153 | 58 | (95) | – | – | – |
| Mount Engineering | 2007 | Partial | 48 | 55 | 7 | 14 | 16 | 2 |
| Pressure Technologies | 2007 | Complete | 95 | 124 | 29 | – | – | – |
| Other | | | 25 | 28 | 3 | 16 | 20 | 4 |
| | | | 461 | 495 | 34 | 88 | 162 | 74 |
| Total | | | 686 | 720 | 34 | 88 | 162 | 74 |

Directors' Responsibility Statement

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge that:

- the financial statements have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued in December 2005;
- the interim management report includes a fair review of the information required by DTR 4.2.7 R in relation to the indication of important events during the first six months, and of the principal risks and uncertainties facing the Company during the second six months, and of the principal risks and uncertainties facing the Company during the second six months of the year; and
- the Interim Management Report includes adequate disclosure of the information required by DTR 4.2.8R in relation to related party transactions and any changes to them.

On behalf of the Board
Aberdeen Asset Management PLC
Secretary

Analysis of Unlisted and AIM Portfolio

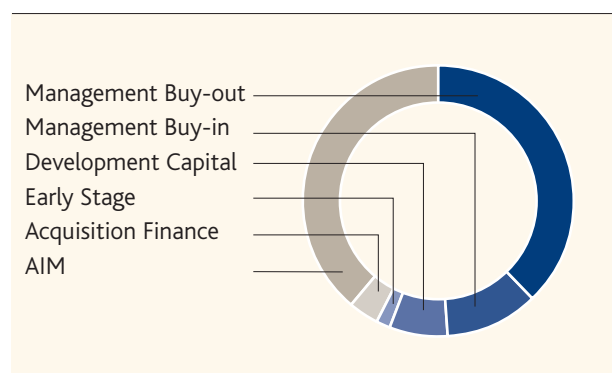
As at 30 June 2008

| FT Industrial Sector | Ordinary Shares | | | | | | S Ordinary Shares | | | | | |
|--|--------------------------------|-------------|---------------------------|-------------|-----------------------------|--------------|--------------------------------|-------------|---------------------------|-------------|-----------------------------|--------------|
| | Valuation Unlisted £'000 | % | Valuation AIM £'000 | % | Total Valuation £'000 | % | Valuation Unlisted £'000 | % | Valuation AIM £'000 | % | Total Valuation £'000 | % |
| Support Services | 1,382 | 19.7 | 797 | 11.2 | 2,179 | 30.9 | 440 | 18.4 | 260 | 11.0 | 700 | 29.4 |
| Oil & Gas | 937 | 13.4 | – | – | 937 | 13.4 | 548 | 23.1 | – | – | 548 | 23.1 |
| Software and Computer Services | 122 | 1.7 | 470 | 6.7 | 592 | 8.4 | – | – | 60 | 2.5 | 60 | 2.5 |
| Household Goods and Textiles | 319 | 4.5 | 177 | 2.5 | 496 | 7.0 | – | – | 45 | 1.9 | 45 | 1.9 |
| Engineering and Machinery | 285 | 4.0 | 166 | 2.4 | 451 | 6.4 | 171 | 7.2 | 52 | 2.2 | 223 | 9.4 |
| Telecommunication Services | 261 | 3.7 | 131 | 1.9 | 392 | 5.6 | 149 | 6.3 | – | – | 149 | 6.3 |
| Electronic and Electrical Equipment | 224 | 3.2 | 116 | 1.6 | 340 | 4.8 | – | – | – | – | – | – |
| Leisure and Hotels | 149 | 2.1 | 126 | 1.8 | 275 | 3.9 | 174 | 7.3 | 1 | – | 175 | 7.3 |
| Food Producers and Processors | 199 | 2.8 | 50 | 0.7 | 249 | 3.5 | – | – | – | – | – | – |
| Media and Entertainment | – | – | 217 | 3.1 | 217 | 3.1 | – | – | 83 | 3.5 | 83 | 3.5 |
| Transport | – | – | 213 | 3.0 | 213 | 3.0 | – | – | 142 | 6.0 | 142 | 6.0 |
| Chemicals | 150 | 2.1 | – | – | 150 | 2.1 | 75 | 3.2 | – | – | 75 | 3.2 |
| Utilities (ex-electricity) | 137 | 1.9 | – | – | 137 | 1.9 | – | – | – | – | – | – |
| Construction and Building Materials | 105 | 1.5 | – | – | 105 | 1.5 | – | – | – | – | – | – |
| Mining | – | – | 81 | 1.1 | 81 | 1.1 | – | – | – | – | – | – |
| Speciality and Other Finance | – | – | 79 | 1.1 | 79 | 1.1 | – | – | 103 | 4.3 | 103 | 4.3 |
| Health | – | – | 63 | 0.9 | 63 | 0.9 | – | – | – | – | – | – |
| Finance (general) | 52 | 0.7 | – | – | 52 | 0.7 | 26 | 1.1 | – | – | 26 | 1.1 |
| Electricity | – | – | 47 | 0.7 | 47 | 0.7 | – | – | 47 | 2.0 | 47 | 2.0 |
| Total Unlisted | 4,322 | 61.3 | 2,733 | 38.7 | 7,055 | 100.0 | 1,583 | 66.6 | 793 | 33.4 | 2,376 | 100.0 |

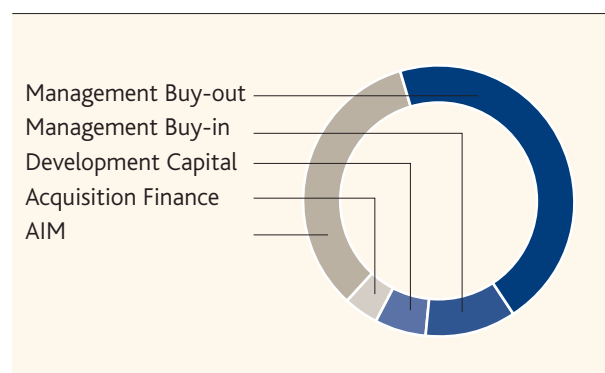
Analysis of Unlisted and AIM Portfolio continued

| Deal Type | Ordinary Shares | | | S Ordinary Shares | | |
|-------------------------------|-----------------|--------------------|--------------|-------------------|--------------------|--------------|
| | Number | Valuation £'000 | % | Number | Valuation £'000 | % |
| Unlisted | | | | | | |
| Management Buy-out | 12 | 2,669 | 37.9 | 8 | 1,079 | 45.3 |
| Management Buy-in | 4 | 799 | 11.3 | 3 | 258 | 10.9 |
| Development Capital | 5 | 484 | 6.9 | 1 | 147 | 6.2 |
| Acquisition Finance | 1 | 248 | 3.5 | 1 | 99 | 4.2 |
| Early stage | 2 | 122 | 1.7 | – | – | – |
| Total Unlisted | 24 | 4,322 | 61.3 | 13 | 1,583 | 66.6 |
| AIM | 34 | 2,733 | 38.7 | 15 | 793 | 33.4 |
| Total Unlisted and AIM | 58 | 7,055 | 100.0 | 28 | 2,376 | 100.0 |

Ordinary Shares



S Ordinary Shares



The pie chart illustrate deal type by valuation rather than cost and reflect only the invested portfolio, excluding cash.

Summary of Investment Changes

For the six months ended 30 June 2008

Ordinary Shares

| | Valuation | | Net investment (disinvestment) | Appreciation (depreciation) | Valuation | |
|-----------------------------|------------------|--------------|-----------------------------------|--------------------------------|--------------|--------------|
| | 31 December 2007 | | | | 30 June 2008 | |
| | £'000 | % | £'000 | £'000 | £'000 | % |
| Unlisted investments | | | | | | |
| Equities | 1,061 | 12.9 | 75 | (27) | 1,109 | 13.9 |
| Preference shares | 31 | 0.4 | 1 | – | 32 | 0.4 |
| Loan stocks | 2,942 | 35.8 | 390 | (151) | 3,181 | 40.0 |
| | 4,034 | 49.1 | 466 | (178) | 4,322 | 54.3 |
| AIM investments | | | | | | |
| Equities | 3,083 | 37.5 | (377) | 27 | 2,733 | 34.4 |
| Listed investments | | | | | | |
| Fixed income | 597 | 7.3 | 5 | (6) | 596 | 7.5 |
| Total investments | 7,714 | 93.9 | 94 | (157) | 7,651 | 96.2 |
| Other net assets | 507 | 6.1 | (203) | – | 304 | 3.8 |
| Total assets | 8,221 | 100.0 | (109) | (157) | 7,955 | 100.0 |

S Ordinary Shares

| | Valuation | | Net investment (disinvestment) | Appreciation (depreciation) | Valuation | |
|-----------------------------|------------------|--------------|-----------------------------------|--------------------------------|--------------|--------------|
| | 31 December 2007 | | | | 30 June 2008 | |
| | £'000 | % | £'000 | £'000 | £'000 | % |
| Unlisted investments | | | | | | |
| Equities | 236 | 4.9 | 64 | (6) | 294 | 6.0 |
| Preference shares | 4 | 0.1 | 1 | – | 5 | 0.1 |
| Loan stocks | 812 | 16.8 | 561 | (89) | 1,284 | 26.2 |
| | 1,052 | 21.8 | 626 | (95) | 1,583 | 32.3 |
| AIM investments | | | | | | |
| Equities | 450 | 9.3 | 98 | 245 | 793 | 16.2 |
| Listed investments | | | | | | |
| Fixed income | 2,992 | 61.9 | (549) | (38) | 2,405 | 49.0 |
| Total investments | 4,494 | 93.0 | 175 | 112 | 4,781 | 97.5 |
| Other net assets | 337 | 7.0 | (211) | – | 126 | 2.5 |
| Total assets | 4,831 | 100.0 | (36) | 112 | 4,907 | 100.0 |

Investment Portfolio Summary

| Investment | Ordinary shares | | | S Ordinary shares | | | % of equity held | % of equity held by other clients |
|---|-----------------|--------------|-------------------|-------------------|--------------|-------------------|------------------|-----------------------------------|
| | Valuation | Cost | % of total assets | Valuation | Cost | % of total assets | | |
| Unlisted | | | | | | | | |
| Money Plus Group Limited | 340 | 260 | 4.3 | 129 | 129 | 2.6 | 5.9 | 33.2 |
| Transys Holdings Limited | 285 | 249 | 3.6 | 171 | 149 | 3.5 | 4.6 | 65.3 |
| ID Support Services Holdings Ltd | 352 | 204 | 4.4 | 86 | 50 | 1.8 | 2.7 | 29.4 |
| Silkwater Holdings (trading as Cyclotech) | 304 | 249 | 3.8 | 121 | 99 | 2.5 | 4.8 | 14.1 |
| Funeral Services Partnership Limited | 298 | 298 | 3.7 | 124 | 124 | 2.5 | 3.0 | 25.2 |
| Camwatch Limited | 261 | 261 | 3.3 | 149 | 149 | 3.0 | 9.8 | 34.6 |
| Energy Services Investment Company (ESIC) Limited | 248 | 248 | 3.1 | 99 | 99 | 2.0 | 13.3 | 68.4 |
| Training For Travel Group Limited | 149 | 149 | 1.9 | 174 | 174 | 3.5 | 3.7 | 24.7 |
| Nessco Group Holdings Limited | 124 | 124 | 1.6 | 199 | 199 | 4.2 | 4.2 | 32.0 |
| Homelux Nenplas Limited | 319 | 149 | 4.0 | – | – | – | 3.4 | 41.6 |
| Steminic (trading as MS Industrial Services Ltd) | 184 | 184 | 2.3 | 84 | 84 | 1.7 | 4.5 | 40.1 |
| TC Communications Holdings | 159 | 159 | 2.0 | 99 | 99 | 2.0 | 5.4 | 29.9 |
| Adler & Allan Holdings Limited | 150 | 150 | 1.9 | 75 | 75 | 1.5 | 1.0 | 38.7 |
| Martel Instruments Holdings Limited | 224 | 224 | 2.8 | – | – | – | 3.2 | 30.2 |
| Oliver Kay Holdings Limited | 209 | 209 | 2.6 | – | – | – | 1.3 | 18.7 |
| Atlantic Foods Group Limited | 199 | 199 | 2.5 | – | – | – | 1.1 | 7.7 |
| Enpure Holdings Limited | 137 | 100 | 1.7 | – | – | – | 0.4 | 79.2 |
| Essential Viewing Systems Limited | 122 | 162 | 1.5 | – | – | – | 9.5 | 39.9 |
| Buildstore Limited | 105 | 105 | 1.3 | – | – | – | 0.6 | 6.8 |
| Countcar | 77 | 6 | 1.0 | 43 | 3 | 0.9 | 3.1 | 23.7 |
| Others | 76 | 736 | 1.0 | 30 | 36 | 0.6 | | |
| Total unlisted | 4,322 | 4,425 | 54.3 | 1,583 | 1,469 | 32.3 | | |

| Investment | Ordinary shares | | | S Ordinary shares | | | % of equity held | % of equity held by other clients |
|-----------------------------------|-----------------|--------------|-------------------|-------------------|--------------|-------------------|------------------|-----------------------------------|
| | Valuation | Cost | % of total assets | Valuation | Cost | % of total assets | | |
| AIM/PLUS | | | | | | | | |
| Darwen Group Plc | 213 | 89 | 2.7 | 142 | 60 | 2.9 | 2.0 | 2.7 |
| Concateno plc | 225 | 176 | 2.8 | 46 | 50 | 0.9 | 0.4 | 1.1 |
| Craneware plc | 183 | 114 | 2.3 | 60 | 47 | 1.2 | 0.8 | 0.3 |
| Plastics Capital Plc | 177 | 197 | 2.2 | 45 | 50 | 0.9 | 0.9 | 2.1 |
| Melorio Plc | 118 | 148 | 1.5 | 72 | 90 | 1.5 | 0.8 | 0.9 |
| Mount Engineering plc | 131 | 124 | 1.6 | 38 | 35 | 0.8 | 0.9 | 1.0 |
| Litcomp plc | 155 | 100 | 1.9 | – | – | – | – | 4.9 |
| Betbrokers Plc | 51 | 55 | 0.6 | 103 | 110 | 2.1 | 0.6 | 0.8 |
| Axeon plc | 128 | 106 | 1.6 | – | – | – | 0.4 | 3.2 |
| DM PLC | 84 | 79 | 1.1 | 42 | 40 | 0.9 | 0.6 | 0.1 |
| Essentially Group PLC | 92 | 135 | 1.2 | 33 | 49 | 0.7 | 0.7 | 1.8 |
| Software Radio Technology PLC | 122 | 138 | 1.5 | – | – | – | 0.4 | 2.2 |
| Amazing Holdings PLC | 118 | 151 | 1.5 | – | – | – | 0.5 | 1.7 |
| Datong PLC | 116 | 151 | 1.5 | – | – | – | 0.9 | 1.1 |
| Animalcare Group Plc | – | – | – | 100 | 100 | 2.0 | 0.9 | 3.7 |
| Formation Group PLC | 50 | 49 | 0.6 | 50 | 49 | 1.0 | 0.2 | 0.2 |
| OPG Power Ventures | 47 | 41 | 0.6 | 47 | 41 | 1.0 | 0.2 | – |
| System C Healthcare plc | 89 | 150 | 1.1 | – | – | – | 0.3 | 1.0 |
| Work Group PLC | 86 | 151 | 1.1 | – | – | – | 0.7 | 2.6 |
| Hambledon Mining PLC | 81 | 83 | 1.0 | – | – | – | 0.2 | 0.1 |
| Avanti Communications Group Plc | 76 | 69 | 1.0 | – | – | – | 0.1 | 1.3 |
| Smart Identity plc | 70 | 72 | 0.9 | – | – | – | 1.9 | 3.4 |
| Universe Group PLC | 68 | 100 | 0.9 | – | – | – | 1.2 | 1.4 |
| Neutrahealth plc | 63 | 89 | 0.8 | – | – | – | 0.6 | 1.3 |
| Hasgrove plc | 48 | 49 | 0.6 | – | – | – | 0.2 | 1.8 |
| Individual Restaurant Company plc | 31 | 47 | 0.4 | – | – | – | 0.1 | 0.9 |
| St Helen's Capital PLC | 28 | 26 | 0.4 | – | – | – | 0.6 | 4.2 |
| Others | 83 | 523 | 1.0 | 15 | 74 | 0.3 | | |
| Total AIM/PLUS | 2,733 | 3,212 | 34.4 | 793 | 795 | 16.2 | | |
| Listed fixed income | | | | | | | | |
| Treasury 5.75% Dec 2009 | – | – | – | 1,362 | 1,388 | 27.7 | | |
| Treasury 4% 07/03/09 | 596 | 593 | 7.5 | 1,043 | 1,040 | 21.3 | | |
| | 596 | 593 | 7.5 | 2,405 | 2,428 | 49.0 | | |
| Total | 7,651 | 8,230 | 96.2 | 4,781 | 4,692 | 97.5 | | |

Income Statement (unaudited)

For the six months ended 30 June 2008

| | Ordinary shares | | | S Ordinary shares | | | Total | | |
|---|------------------|------------------|----------------|-------------------|------------------|----------------|------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| (Losses)/gains on investments | – | (157) | (157) | – | 112 | 112 | – | (45) | (45) |
| Income from investments | 158 | – | 158 | 115 | – | 115 | 273 | – | 273 |
| Other income | 5 | – | 5 | 4 | – | 4 | 9 | – | 9 |
| Investment management fees | (19) | (76) | (95) | (11) | (46) | (57) | (30) | (122) | (152) |
| Other expenses | (59) | – | (59) | (36) | – | (36) | (95) | – | (95) |
| Profit/(loss) on ordinary activities before taxation | 85 | (233) | (148) | 72 | 66 | 138 | 157 | (167) | (10) |
| Tax on ordinary activities | (15) | 15 | – | (13) | 13 | – | (28) | 28 | – |
| Profit/(loss) on ordinary activities after taxation | 70 | (218) | (148) | 59 | 79 | 138 | 129 | (139) | (10) |
| Earnings per share (pence) | 0.9 | (2.8) | (1.9) | 1.2 | 1.6 | 2.8 | 2.1 | (1.2) | 0.9 |

A Statement of Total Recognised Gains and Losses has not been prepared, as all gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

The total column of this statement is the Profit and Loss Account of the Company.

Reconciliation of Movements in Shareholders' Funds (unaudited)

For the six months ended 30 June 2008

| | Ordinary shares | | S Ordinary shares | | Total |
|------------------------------------|-----------------|--|-------------------|--|---------------|
| | £'000 | | £'000 | | £'000 |
| Opening Shareholders' funds | 8,221 | | 4,831 | | 13,052 |
| Total (loss)/profit for year | (148) | | 138 | | (10) |
| Dividends paid – revenue | (118) | | (62) | | (180) |
| Dividends paid – capital | – | | – | | – |
| Closing Shareholders' funds | 7,955 | | 4,907 | | 12,862 |

The accompanying notes are an integral part of the financial statements.

Income Statement (unaudited)

For the six months ended 30 June 2007

| | Ordinary shares | | | S Ordinary shares | | | Total | | |
|---|------------------|------------------|----------------|-------------------|------------------|----------------|------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Gains on investments | – | 254 | 254 | – | 11 | 11 | – | 265 | 265 |
| Income from investments | 168 | – | 168 | 39 | – | 39 | 207 | – | 207 |
| Other income | 22 | – | 22 | 12 | – | 12 | 34 | – | 34 |
| Investment management fees | (20) | (81) | (101) | (5) | (21) | (26) | (25) | (102) | (127) |
| Other expenses | (80) | – | (80) | (24) | – | (24) | (104) | – | (104) |
| Profit/(loss) on ordinary activities before taxation | 90 | 173 | 263 | 22 | (10) | 12 | 112 | 163 | 275 |
| Tax on ordinary activities | (16) | 16 | – | (4) | 4 | – | (20) | 20 | – |
| Profit/(loss) on ordinary activities after taxation | 74 | 189 | 263 | 18 | (6) | 12 | 92 | 183 | 275 |
| Earnings per share (pence) | 0.9 | 2.4 | 3.3 | 0.5 | (0.2) | 0.3 | 1.4 | 2.2 | 3.6 |

A Statement of Total Recognised Gains and Losses has not been prepared, as all gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

The total column of this statement is the Profit and Loss Account of the Company.

Reconciliation of Movements in Shareholders' Funds (unaudited)

For the six months ended 30 June 2007

| | Ordinary shares | S Ordinary shares | Total |
|------------------------------------|-----------------|-------------------|---------------|
| | £'000 | £'000 | £'000 |
| Opening Shareholders' funds | 8,789 | – | 8,789 |
| Total profit for year | 263 | 12 | 275 |
| Net proceeds of issue of shares | – | 4,232 | 4,232 |
| Dividends paid – revenue | (39) | – | (39) |
| Dividends paid – capital | (274) | – | (274) |
| Closing Shareholders' funds | 8,739 | 4,244 | 12,983 |

The accompanying notes are an integral part of the financial statements.

Income Statement (audited)

For the year ended 31 December 2007

| | Ordinary shares | | | S Ordinary shares | | | Total | | |
|---|------------------|------------------|----------------|-------------------|------------------|----------------|------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| (Losses)/gains on investments | – | (120) | (120) | – | 69 | 69 | – | (51) | (51) |
| Income from investments | 334 | – | 334 | 145 | – | 145 | 479 | – | 479 |
| Other income | 28 | – | 28 | 27 | – | 27 | 55 | – | 55 |
| Investment management fees | (37) | (148) | (185) | (14) | (56) | (70) | (51) | (204) | (255) |
| Other expenses | (155) | – | (155) | (64) | – | (64) | (219) | – | (219) |
| Profit/(loss) on ordinary activities before taxation | 170 | (268) | (98) | 94 | 13 | 107 | 264 | (255) | 9 |
| Tax on ordinary activities | (29) | 29 | – | (17) | 17 | – | (46) | 46 | – |
| Profit/(loss) on ordinary activities after taxation | 141 | (239) | (98) | 77 | 30 | 107 | 218 | (209) | 9 |
| Earnings per share (pence) | 1.8 | (3.1) | (1.3) | 1.8 | 0.7 | 2.5 | 3.6 | (2.4) | 1.2 |

A Statement of Total Recognised Gains and Losses has not been prepared, as all gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

The total column of this statement is the Profit and Loss Account of the Company.

Reconciliation of Movements in Shareholders' Funds (audited)

For the six months ended 31 December 2007

| | Ordinary shares | S Ordinary shares | Total |
|------------------------------------|-----------------|-------------------|---------------|
| | £'000 | £'000 | £'000 |
| Opening Shareholders' funds | 8,789 | – | 8,789 |
| Total (loss)/profit for year | (98) | 107 | 9 |
| Net proceeds of issue of shares | – | 4,724 | 4,724 |
| Dividends paid – revenue | (39) | – | (39) |
| Dividends paid – capital | (431) | – | (431) |
| Closing Shareholders' funds | 8,221 | 4,831 | 13,052 |

The accompanying notes are an integral part of the financial statements.

Balance Sheet

As at 30 June 2008

| | 30 June 2008 (unaudited) | | | 30 June 2007 (unaudited) | | | 31 December 2007 (audited) | | |
|---|-----------------------------|-----------------------------|----------------|-----------------------------|-----------------------------|----------------|-------------------------------|-----------------------------|----------------|
| | £ | | | £ | | | £ | | |
| | Ordinary shares £'000 | Ordinary shares £'000 | Total £'000 | Ordinary shares £'000 | Ordinary shares £'000 | Total £'000 | Ordinary shares £'000 | Ordinary shares £'000 | Total £'000 |
| Fixed assets | | | | | | | | | |
| Investments at fair value through profit or loss | 7,651 | 4,781 | 12,432 | 8,072 | 3,679 | 11,751 | 7,714 | 4,494 | 12,208 |
| Current assets | | | | | | | | | |
| Debtors | 230 | 95 | 325 | 241 | 55 | 296 | 152 | 72 | 224 |
| Cash and overnight deposits | 99 | 43 | 142 | 485 | 541 | 1,026 | 444 | 307 | 751 |
| | 329 | 138 | 467 | 726 | 596 | 1,322 | 596 | 379 | 975 |
| Creditors | | | | | | | | | |
| Amounts falling due within one year | (25) | (12) | (37) | (59) | (31) | (90) | (89) | (42) | (131) |
| Net current assets | 304 | 126 | 430 | 667 | 565 | 1,232 | 507 | 337 | 844 |
| Total net assets | 7,955 | 4,907 | 12,862 | 8,739 | 4,244 | 12,983 | 8,221 | 4,831 | 13,052 |
| Capital and reserves | | | | | | | | | |
| Called up share capital | 784 | 497 | 1,281 | 784 | 446 | 1,230 | 784 | 497 | 1,281 |
| Share premium | – | 4,227 | 4,227 | – | 3,786 | 3,786 | – | 4,227 | 4,227 |
| Distributable reserve | 6,660 | – | 6,660 | 6,660 | – | 6,660 | 6,660 | – | 6,660 |
| Capital reserves – realised | 937 | 12 | 949 | 1,099 | (13) | 1,086 | 965 | (32) | 933 |
| – unrealised | (578) | 97 | (481) | 63 | 7 | 70 | (388) | 62 | (326) |
| Revenue reserve | 152 | 74 | 226 | 133 | 18 | 151 | 200 | 77 | 277 |
| Net assets attributable to Ordinary Shareholders | 7,955 | 4,907 | 12,862 | 8,739 | 4,244 | 12,983 | 8,221 | 4,831 | 13,052 |
| Net asset value per ordinary share (pence) | 101.5 | 98.7 | | 111.5 | 95.3 | | 104.9 | 97.2 | |

The Financial Statements were approved by the Board of Directors and were signed on its behalf by:

13 August 2008

I D Cormack
Chairman

The accompanying notes are an integral part of the financial statements.

Cash Flow Statement

For the six months ended 30 June 2008

| | 30 June 2008 (unaudited) | | | 30 June 2007 (unaudited) | | | 31 December 2007 (audited) | | |
|--|-----------------------------|-----------------------------|----------------|-----------------------------|-----------------------------|----------------|-------------------------------|-----------------------------|----------------|
| | Ordinary shares £'000 | Ordinary shares £'000 | Total £'000 | Ordinary shares £'000 | Ordinary shares £'000 | Total £'000 | Ordinary shares £'000 | Ordinary shares £'000 | Total £'000 |
| Operating activities | | | | | | | | | |
| Investment income received | 119 | 104 | 223 | 189 | – | 189 | 297 | 56 | 353 |
| Deposit interest received | 6 | 5 | 11 | 26 | 10 | 36 | 36 | 25 | 61 |
| Investment management fees paid | (126) | (76) | (202) | (130) | (26) | (156) | (183) | (51) | (234) |
| Secretarial fees paid | (38) | (20) | (58) | (39) | (8) | (47) | (48) | (13) | (61) |
| Cash paid to and on behalf of Directors | (19) | (10) | (29) | (14) | (5) | (19) | (39) | (12) | (51) |
| Other cash payments | (39) | (19) | (58) | (54) | (11) | (65) | (63) | (18) | (81) |
| Net cash outflow from operating activities | (97) | (16) | (113) | (22) | (40) | (62) | – | (13) | (13) |
| Taxation | | | | | | | | | |
| Corporation tax | – | – | – | – | – | – | – | – | – |
| Financial investment | | | | | | | | | |
| Purchase of investments | (809) | (2,281) | (3,090) | (4,717) | (3,677) | (8,394) | (6,407) | (4,459) | (10,866) |
| Sale of investments | 679 | 2,095 | 2,774 | 5,034 | 26 | 5,060 | 6,818 | 55 | 6,873 |
| Net cash (outflow)/inflow from financial investment | (130) | (186) | (316) | 317 | (3,651) | (3,334) | 411 | (4,404) | (3,993) |
| Equity dividends paid | (118) | (62) | (180) | (313) | – | (313) | (470) | – | (470) |
| Net cash (outflow)/inflow before financing | (345) | (264) | (609) | (18) | (3,691) | (3,709) | (59) | (4,417) | (4,476) |
| Financing | | | | | | | | | |
| Issue of ordinary shares | – | – | – | – | 4,455 | 4,455 | – | 4,972 | 4,972 |
| Expense of share issue | – | – | – | – | (223) | (223) | – | (248) | (248) |
| Net cash inflow from financing | – | – | – | – | 4,232 | 4,232 | – | 4,724 | 4,724 |
| (Decrease)/increase in cash | (345) | (264) | (609) | (18) | 541 | 523 | (59) | 307 | 248 |

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

For the six months ended 30 June 2008

1 Accounting Policies

The financial information for the six months ended 30 June 2008 and the six months ended 30 June 2007 comprises non-statutory accounts within the meaning of section 240 of the Companies ACT 1985. The financial information contained in this report has been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 December 2007.

The results for the year ended 31 December 2007 are extracted from the full accounts for that year, which received an unqualified report from the Auditors and have been filed with the Registrar of Companies.

2 Movement in reserves

| | Capital reserves realised £'000 | Capital reserves unrealised £'000 | Revenue reserve £'000 | Distributable reserve £'000 |
|-------------------------------------|--|--|-----------------------------|-----------------------------------|
| Ordinary shares | | | | |
| As at 31 December 2007 | 965 | (388) | 200 | 6,660 |
| Gains on sales of investments | 33 | – | – | – |
| Decrease in unrealised appreciation | – | (190) | – | – |
| Investment management fees | (76) | – | – | – |
| Dividends paid | – | – | (118) | – |
| Tax effect of capital items | 15 | – | – | – |
| Retained net revenue for period | – | – | 70 | – |
| As at 30 June 2008 | 937 | (578) | 152 | 6,660 |

| | Capital reserves realised £'000 | Capital reserves unrealised £'000 | Revenue reserve £'000 | Share premium account £'000 |
|-------------------------------------|--|--|-----------------------------|--------------------------------------|
| S Ordinary shares | | | | |
| As at 31 December 2007 | (32) | 62 | 77 | 4,227 |
| Gains on sales of investments | 77 | – | – | – |
| Increase in unrealised appreciation | – | 35 | – | – |
| Investment management fees | (46) | – | – | – |
| Dividends paid | – | – | (62) | – |
| Tax effect of capital items | 13 | – | – | – |
| Retained net revenue for period | – | – | 59 | – |
| As at 30 June 2008 | 12 | 97 | 74 | 4,227 |

Notes to the Financial Statements continued

3 Return per Ordinary share

Six months ended
30 June 2008

Ordinary shares

The returns per share have been based on the following figures:

| | |
|--|------------|
| Weighted average number of Ordinary shares | 7,835,163 |
| Revenue Return | £70,000 |
| Capital Return | £(218,000) |

Six months ended
30 June 2008

S Ordinary shares

The returns per share have been based on the following figures:

| | |
|--|-----------|
| Weighted average number of S Ordinary shares | 4,972,459 |
| Revenue Return | £59,000 |
| Capital Return | £79,000 |

Corporate Information

Directors

I D Cormack (Chairman)
M J Gilbert
M Graham-Wood
A Lapping
W R Nixon (as alternate to M J Gilbert)
S Scott

Manager

Aberdeen Asset Managers Limited
Customer Services Department 0845 300 2830
(open Monday to Friday, 9 am to 5 pm)
email: vcts@aberdeen-asset.com

Secretary

Aberdeen Asset Management PLC
Sutherland House
149 St Vincent Street
Glasgow G2 5NW

Points of Contact

The Chairman and/or the Company Secretary at:
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149 St Vincent Street
Glasgow G2 5NW

Registered Office

Sutherland House
149 St Vincent Street
Glasgow G2 5NW
Registered in Scotland
Company Number SC272568

Registrars

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0LA

Shareholder Helpline 0870 162 3100
Calls cost 10p per minute plus network extras.

Bankers

J P Morgan Chase Bank

Stockbrokers

Landsbanki Securities UK Limited

Auditors

Deloitte & Touche LLP

Website

www.agovct2.co.uk

Aberdeen Asset Managers Limited

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Authorised and Regulated by The Financial Services Authority
Member of the Aberdeen Asset Management Group of Companies



Aberdeen