

Statement on behalf of the Board

I am pleased to report satisfactory progress in the six months to 31 August 2004. The net assets per share have increased modestly, from £0.78 at 29 February 2004 to £0.79 at 31 August 2004.

It is the nature of the business in which OT2VCT is engaged, namely investing in start-up and early stage technology businesses, that there will be some early failures and that the ultimate returns are likely to come from a few businesses which do really well. There have indeed been some early failures, but there are several companies in the portfolio which are making very solid progress and have the potential to deliver outstanding returns.

Insense, Im-Pak, Inaplex, and OCRobotics have all made good progress in recent months, and OT2VCT owns significant shareholdings in these companies. Other investees have also made solid progress, while some others have experienced problems.

On balance, the Board is pleased with the overall development of the portfolio.

On behalf of the Board
John Jackson
Chairman

Unaudited Financial Information

Summarised Statement of Total Return for the Period

	Six months 1 Mar 04 to 31 Aug 04 £'000	Six months 1 Mar 03 to 31 Aug 03 £'000	Year 1 Mar 03 to 29 Feb 04 £'000
Gain / (loss) on investments	105	415	(213)
Income	26	6	39
Expenses	(83)	(97)	(198)
	—	—	—
Net return before taxation	48	324	(372)
Tax on ordinary activities	-	-	-
	—	—	—
Return attributable to equity shareholders	48	324	(372)
Dividends in respect of equity shares	-	-	-
	—	—	—
Transfers to / (from) reserves	48	324	(372)
	====	====	====
Revenue loss per share	(0.95)p	(1.50)p	(2.65)p
Capital return / (loss) per share	1.75p	6.91p	(3.55)p
	====	====	====
Total return / (loss) per ordinary share	0.80p	5.41p	(6.20)p
	====	====	====

Summarised Balance Sheet

	31 Aug 04 £'000	31 Aug 03 £'000	29 Feb 04 £'000
Unquoted investments	4,467	4,992	4,402
Other net current assets	267	390	284
	—	—	—
Net assets	4,734	5,382	4,686
	====	====	====
Capital and Reserves			
Called up share capital	600	600	600
Share premium: Share issues	5,400	5,400	5,400
Expenses on share issues	(179)	(179)	(179)
	—	—	—
	5,821	5,821	5,821
Capital reserve - unrealised	(116)	(50)	(231)
realised	(593)	(136)	(583)
Revenue reserve	(378)	(253)	(321)
	—	—	—
	4,734	5,382	4,686
	====	====	====
Net asset value per share	79p	90p	78p
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Cash Flow Statement for the Period

	Six months 1 Mar 04 to 31 Aug 04 £'000	Six months 1 Mar 03 to 31 Aug 03 £'000	Year 1 Mar 03 to 29 Feb 04 £'000
Net cash outflow from operating activities	(88)	(98)	(170)
Capital expenditure and financial investment			
Purchase of investments	-	(115)	(156)
Disposal of investments	40	-	3
	—	—	—
Net cash outflow from capital expenditure and financial investment	40	(115)	(153)
	—	—	—
Decrease in cash	(48)	(213)	(323)
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Company Information

Directors

John Jackson (Chairman)
Charles Breese
Lucius Cary
Michael O'Regan
Sir Martin Wood

Registrars

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Investment Manager

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Secretary

James Gordon

Brokers

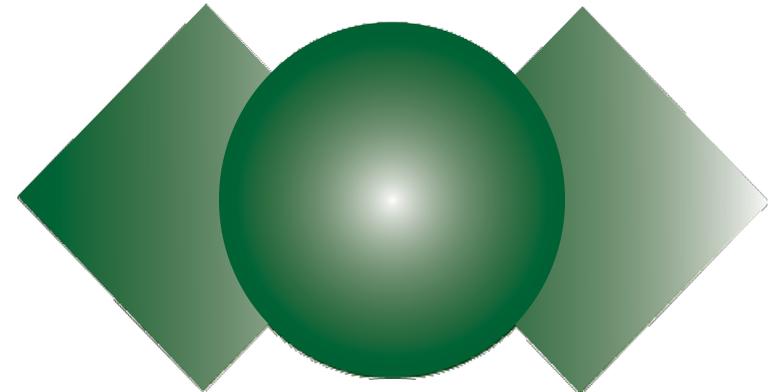
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Notes to the Unaudited Financial Information on pages 2 and 3

- 1 The financial information for each of the interim periods ended 31 August 2004 and 31 August 2003 is unaudited and does not constitute statutory accounts within the meaning of the Companies Act 1985. It has been prepared using accounting policies consistent with those set out in the company's statutory accounts for the year ended 29 February 2004. The financial information for the year ended 29 February 2004 has been extracted from the company's statutory accounts for that period which contained an unqualified audit report and which have been filed with the Registrar of Companies.
- 2 The calculation of earnings per share for the period is based on the return attributable to shareholders divided by the weighted average number of shares in issue during the period.
- 3 Listed investments are stated at market value based upon middle market prices at the accounting period end. The unrealised depreciation or appreciation on the valuation of investments and the gains and losses arising on the disposal of investments are dealt with in the capital reserve.
- 4 Copies of the Interim Statement are being sent to shareholders and further copies can be obtained from the Company's Registered Office.

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Venture Capital Trust plc



Interim Statement

For the period
1 March 2004 to 31 August 2004