

Keydata Income VCT 1 Plc and Keydata Income 2 Plc Announcement 19 May 2010

The Boards of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc and Foresight VCT plc (together "the companies") today announce that, following the appointment of Foresight Group LLP as the interim manager of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc ("the Keydata VCTs") in June 2009, terms for the merger of the companies, with a view to creating cost savings and other strategic benefits, are at an advanced stage of discussion between the Boards.

Any merger would require the approval of the Companies' shareholders and discussions between the Boards are proceeding on the basis that, subject to that approval, a merger would be effected pursuant to a scheme of reconstruction under s.110 of the Insolvency Act 1986 whereby the assets and liabilities of the Keydata VCTs would be transferred to Foresight VCT plc in consideration for the issue of Foresight VCT plc ordinary shares directly to the shareholders of the Keydata VCTs. A merger effected on this basis would be outside the City Code on Takeovers and Mergers. The merger would be completed on a relative net asset basis as at the date of the merger.