

Albion Income & Growth VCT PLC Interim Management Statement

Introduction

I am pleased to present Albion Income & Growth VCT PLC's (the "Company") interim management statement for the period from 1 April 2013 to 8 August 2013 as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3.

Performance and dividends

The Company's unaudited net asset value per share (NAV), based on management accounts, as at 30 June 2013 was £28.60 million or 65.30 pence per share (excluding treasury shares), after accounting for a dividend of 1.75 pence per share which was paid on 28 June 2013 to shareholders on the register on 7 June 2013.

The NAV as at 31 March 2013 was 64.85 pence per share (after accounting for the above dividend).

After taking account of the dividend, the Company's NAV has risen by 0.45 pence per share or 0.70 per cent. since 31 March 2013 as a result of a small increase in investment valuations.

Share issues and buybacks

During the period from 1 April 2013 to 8 August 2013, the Company issued the following shares under the Albion VCTs Top Up Offers 2012/2013;

Date	Number of shares issued	Issue price per share (including 3% costs of issue)	Net proceeds £'000	Opening mid market price per share on allotment (pence per share)
5 April 2013	1,941,975	68.00 pence	1,281	62.00
12 June 2013	574,144	66.90 pence	373	62.00

The Offers closed on 12 June 2013 and the Company raised total net proceeds from the Offer of £1.9m. The proceeds of the Offers will be used to provide further resources to the Company at a time when a number of attractive new investment opportunities are being seen.

In addition, the following shares were issued under the dividend reinvestment scheme on 28 June 2013;

Date	Number of shares issued	Issue price (pence per share)	Net proceeds £'000	Opening mid market price per share on allotment (pence per share)
28 June 2013	98,939	64.85 pence	63	65.00

During the period from 1 April 2013 to 8 August 2013, the Company purchased 575,000 shares at an average price of 61.70 pence per share and a total consideration of £357,000. These shares were cancelled.

It remains the Board's policy to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new portfolio companies and the continued payment of dividends to shareholders.

It is the Board's intention that, subject to the sufficiency of cash resources and any market constraints, the price at which shares are bought back should be in the region of a 5 per cent. discount to net asset value.

Portfolio

The following investments have been made during the period from 1 April 2013 to 8 August 2013:

Name	£'000's	
GWH Acquisition Limited (<i>new investment</i>)	500	<i>To acquire and develop hydropower schemes.</i>
Helvetica Limited (<i>further investment</i>)	174	<i>Provider of real-time, electronic traceability and verification for the timber and other industries.</i>
Proveca Limited (<i>further investment</i>)	111	<i>Specialist pharmaceutical company which focuses on developing innovative, technically complex, demand driven pharmaceuticals.</i>
Bravo Inns II Limited (<i>further investment</i>)	48	<i>Owner and operator of freehold pubs in the North of England.</i>

Mi-Pay Limited (<i>further investment</i>)	46	<i>Provider of mobile payment services.</i>
Rostima Holdings Limited (<i>further investment</i>)	22	<i>Provider of labour management software for the marine and aviation industries.</i>
DySIS Medical Limited (<i>further investment</i>)	20	<i>Develops imaging systems for the non-invasive, in-vivo detection of cancer.</i>

Disposals

The following amounts were received from portfolio companies during the period from 1 April 2013 to 8 August 2013:

Name	£000's	
Opta Sports Data Limited	981	<i>Proceeds on disposal in July 2013</i>
Prime Care Holdings Limited	92	<i>Proceeds on disposal in July 2013</i>
Hilson Moran Holdings Limited	47	<i>Loan stock repayment</i>
Tower Bridge Health Clubs Limited	35	<i>Loan stock repayment</i>
Evolutions Group Limited	7	<i>Final proceeds received</i>
Masters Pharmaceuticals Limited	7	<i>Loan stock repayment</i>
The Dunedin Pub Company VCT Limited	3	<i>Loan stock repayment</i>

Our investment in Opta Sports Data was sold during the period for total proceeds, including rolled up interest and escrow retention, of £1,094,000. Including income received, this investment achieved a return of 3.3 times cost. Prime Care was also disposed during the period, whose domiciliary care activities for the elderly had long struggled against budget cuts by local authorities, resulting in a total return of 0.5 times cost.

Top ten holdings as at 30 June 2013:

Investment	Carrying value £000's	% of net asset value
Lowcosttravelgroup Limited	2,524	8.8
Blackbay Limited	2,430	8.5
The Weybridge Club Limited	2,398	8.4
Kensington Health Clubs Limited	1,842	6.4
Process Systems Enterprise Limited	1,305	4.6
Bravo Inns II Limited	1,171	4.1
Mi-Pay Limited	1,161	4.1
Tower Bridge Health Clubs Limited	1,154	4.0
The Charnwood Pub Company Limited	1,144	4.0
Opta Sports Data Limited	1,093	3.8

A full breakdown of the Company's portfolio can be found on the funds website under portfolio of investments at www.albion-ventures.co.uk/OurFunds under Albion Income & Growth VCT PLC.

Dividend reinvestment scheme

The Company continues to offer a dividend reinvestment scheme to existing shareholders. Details of this scheme can be found at www.albion-ventures.co.uk/OurFunds under Albion Income & Growth VCT PLC.

Proposed merger with Albion Technology & General VCT PLC

The Boards of Albion Income & Growth VCT PLC and Albion Technology & General VCT PLC announced today that they have reached agreement in principle to merge the companies. The merger is expected to achieve, amongst other things, cost savings and administration efficiency through the creation of a significantly enlarged VCT to provide benefits for all shareholders. The proposed merger will be subject to approval by shareholders of both companies.

The intention is that the proposed merger will be completed pursuant to a Section 110 scheme of reconstruction under the Insolvency Act 1986 by transferring the assets and liabilities of Albion Income & Growth VCT PLC to Albion Technology & General VCT PLC in consideration for new Albion Technology & General VCT PLC shares to be issued to Albion Income & Growth VCT PLC shareholders on a relative net asset value basis, based on net assets as at the time when the merger completes, adjusted for merger costs. A merger solely on this basis will be outside provisions of The City Code on Takeovers and Mergers.

Following the merger, it is the current intention that Albion Technology & General VCT PLC pay quarterly dividends, in order to reflect the payment dates for both VCTs.

A further announcement will be made in due course.

Material events and transactions

There have been no further significant events or transactions that the Board is aware of which would have a material impact on the financial position of the Company between 1 April 2013 to 8 August 2013.

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Fund's website under www.albion-ventures.co.uk/OurFunds under Albion Income & Growth VCT PLC.

Friedrich Ternofsky, Chairman

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