

Albion Income & Growth VCT PLC

Interim Management Statement

Introduction

I am pleased to present your Company's interim management statement for the period from 1 October 2010 to 9 February 2011 as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3.

Financial position and performance

The unaudited net asset value (NAV) per share as at 31 December 2010 was 67.50 pence per share (30 September 2010: 66.06 pence per share). The current NAV and comparative figures are stated after deducting the first dividend for the year to 30 September 2011 of 1.75 pence per share which was paid on 31 January 2011 to shareholders on the register as at 14 January 2011.

The unaudited net asset value (after accounting for dividends) as at 31 December 2010 is £27,457,000 (30 September 2010: £26,873,000) and the total of cash on deposit, short term money market or other liquid instruments, as at 31 December 2010 is £2,745,000 (30 September 2010: £2,367,000).

Portfolio

In the period from 1 October 2010 to 9 February 2011 Albion Income & Growth VCT PLC made investments as follows:

Investment portfolio

Investment	Existing/New investee company	£'000s	
Mi-Pay Limited	Existing	154	<i>Provider of an outsourced payment processing service to mobile network operators and related customers</i>
Opta Sports Data Limited	Existing	51	<i>Leading European provider of sports data and analysis</i>
Bravo Inns II Limited	Existing	50	<i>Owns and operates public houses based in the North of England</i>
Regenerco Renewable Energy Limited	New	29	<i>Commercial photovoltaic installations in partnership with Regenerco Limited</i>
Mirada Medical Limited	Existing	24	<i>Medical imaging software</i>
AVESI Limited	New	23	<i>Photovoltaic installations in commercial properties, mainly those owned by Albion's investee companies</i>
The Street by Street Solar Programme Limited	New	23	<i>Photovoltaic installations on domestic roofs in Maidenhead & Windsor</i>

Disposals

In the period from 1 October 2010 to 9 February 2011, Geronimo Inns VCT I Limited and Geronimo Inns VCT II Limited were sold for combined total proceeds of £588,000, against an original combined cost of £520,000 and a carrying value at 30 September 2010 of £597,000.

Top ten holdings as at 31 December 2010

The table below details the top ten investments by valuation as at 31 December 2010:

 Holding 	 Carrying Value £'000s
The Weybridge Club Limited	2,550
Blackbay Limited	2,434
Xceleron Limited	2,168
Kensington Health Clubs Limited	2,125
Evolutions Television Limited	1,672
Lowcosttravel Group Limited	1,432
The Charnwood Pub Company Ltd	1,425
Tower Bridge Health Clubs Limited	1,203
Bravo Inns II Limited	1,072
Mi-Pay Limited	1,041

Dividends

As mentioned above, the first dividend for the year to 30 September 2011 of 1.75 pence per share was paid on 31 January 2011 to shareholders on the register as at 14 January 2011.

Dividend Reinvestment Scheme

Further to the Dividend Reinvestment Scheme introduced by the Company (details of which were set out in the Circular issued to shareholders on 22 December 2008), the Company allotted 51,207 Ordinary shares of 50p each in the capital of the Company on 31 January 2011 at a price of 66.06 pence per share.

Share buybacks and share price discount

As disclosed by the Chairman in the Annual Report and Financial Statements for the year ended 30 September 2010, the Company has limited the cash available for share buybacks to up to £350,000 for the six months to 31 March 2011.

In the period from 1 October 2010 to 9 February 2011, your Company re-purchased 391,800 shares at an average price of 60 pence per share. Following the buybacks mentioned above, the Company now has just under £115,000 allocated for buybacks until 31 March 2011, at which time the Board will review the policy further.

The closing mid market price for the shares on 9 February 2011 was 60.0 pence per share, resulting in a 13.4 per cent discount to the net asset value of 69.26 pence per share. This is in line with the Board's longer term target to achieve a discount of between 10 to 15 per cent of net asset value.

Albion VCTs Linked Top Up Offer

On 1 November 2010 the Company announced the launch of the Albion VCTs Linked Top Up Offer. In aggregate, the Albion VCTs will be aiming to raise up to £15 million across seven VCTs managed by Albion Ventures LLP, of which Albion Income & Growth VCT PLC's share will be up to approximately £2.25 million. The maximum amount raised by each of the Albion VCTs will be the lower of Euros 2.5 million, and 10 per cent. of its issued share capital (over any one 12 month period, and including any shares issued under Dividend Reinvestment Schemes), being the amount that they may issue under the Prospectus Rules without the publication of a full prospectus. The number of new shares available may change depending on the £: euro exchange rate at the date of allotment.

The proceeds of the Offer will be used to provide further resources to the Albion VCTs at a time when a number of attractive new investment opportunities are being seen.

An Investor Guide and Offer Document have been sent to shareholders and can also be found on the website www.albion-ventures.co.uk, under the 'Our Funds' section.

The first allotment of New Ordinary Shares of nominal value 50 pence per share in the Company under the Albion VCTs Linked Top Up Offer took place on 7 January 2011 at an issue price of 70 pence per New Ordinary Share.

Applications for 934,229 New Ordinary Shares in the Company were received. The net proceeds of the Offer to date to the Company are approximately £604,000.

Material events and transactions

There have been no further significant events or transactions that the Board are aware of which would have a material impact on the financial position of the Company between 1 October 2010 and 9 February 2011.

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/Our Funds/Albion Income & Growth VCT PLC](http://www.albion-ventures.co.uk/OurFunds/AlbionIncome&GrowthVCTPLC).

Friedrich Ternofsky, Chairman

9 February 2011

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