

Interim Management Statement

Introduction

I am pleased to present the Company's interim management statement for the period from 1 October 2009 to 8 February 2010 as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3.

Performance and dividends

The Company's approximate unaudited net asset value (NAV) as at 31 December 2009 was £26.5 million (30 September 2009: £26.3 million) or 87.6 pence per share, excluding treasury shares (30 September 2009: 86.7 pence per share). The net asset values for both 31 December 2009 and 30 September 2009 are after accounting for the second revenue dividend for the year to 31 March 2010 of 1 penny per share (total cost: £303,059), paid on 6 January 2010 to shareholders on the register as at 4 December 2009.

The net asset value has increased compared to the net asset value at 30 September 2009 as a result of an uplift in the unquoted investment valuations. However, revenue return continues to be subdued in the face of lower yields on cash deposits and liquid instruments.

The three month period to 31 December 2009 continues to be a difficult one for the UK economy as a whole. Nevertheless, certain of the Company's investments are showing a strong performance and the Company's high level of cash has provided a strong degree of protection from the worst effects.

The Board is not aware of any significant events or transactions between 31 December 2009 and the date of this interim management statement which would have a material impact on the net asset value of the Company.

Share buybacks

During the period from 1 October 2009 to 8 February 2010, the Company purchased 3,334 shares at an average price of 69 pence per share, to be held in treasury. The current share price is 74 pence.

Portfolio

Further investments have been made during the period from 1 October 2009 to 8 February 2010:

| Name | £000's | |
|--|--------|---|
| Mirada Medical Limited | 111 | <i>Provider of medical imaging software</i> |
| Mi-Pay Limited | 57 | <i>Outsourcer of payment processing service to mobile network operators</i> |
| Green Energy Property Services Limited | 14 | <i>Energy performance certificate provider</i> |

Disposals

During the period from 1 October 2009 to 8 February 2010, the Company disposed of the Bank of America floating rate note (maturity 02/02/2011) for £1,968,000, the Nationwide Building Society floating rate note (maturity 07/06/2010) for £1,867,000, the Barclays Bank floating rate note (maturity 02/07/2010) for £3,786,000 and the HBOS floating rate note (maturity 17/12/2009) for £450,000. These disposals realised a capital profit of £101,000.

Top ten holdings (as at 31 December 2009)

| Investment | Carrying/fair value £000's |
|---|-------------------------------|
| UBS floating rate note: maturity date 20 May 2011 | 2,536 |
| Bank of Nova Scotia Floating Rate Note: maturity date 22 September 2010 | 2,198 |
| Geronimo Inns I VCT Limited | 1,488 |
| Geronimo Inns II VCT Limited | 1,488 |
| Bravo Inns II Limited | 1,372 |

| | |
|-----------------------------|-------|
| Taunton Hospital Limited | 1,000 |
| Forth Photonics Limited | 555 |
| Mi-Pay Limited | 522 |
| Prime Care Holdings Limited | 483 |
| Dexela Limited | 430 |

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 2009 and 8 February 2010.

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/Our Funds/Albion Enterprise VCT PLC](http://www.albion-ventures.co.uk/Our%20Funds/Albion%20Enterprise%20VCT%20PLC).

Maxwell Packe, Chairman
8 February 2010

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