

9 December 2010

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The Board of SPARK VCT PLC ("**SPARK VCT**" or the "**Company**") is pleased to announce that Albion Ventures LLP ("**Albion Ventures**") will be appointed investment manager to the Company with effect from 1st January 2011. The Company and SPARK Venture Management Limited ("**SPARK Venture Management**") have agreed to terminate the existing investment manager's agreement. A similar announcement is being made by the Board of SPARK VCT 2 PLC simultaneously with this announcement.

On 5th March 2010, the Board announced its revised strategy to realise the Company's existing portfolio as soon as suitable exits were available and to focus new investment on relatively low risk opportunities in more developed investee companies which are either able to pay dividends or well positioned for an exit in a short timeframe. In the Half Yearly Report published on 12th August 2010 (the "**Half Yearly Report**"), the Board noted that it was actively exploring a range of options to enhance shareholders' interests and that it hoped to be in a position to inform shareholders of these opportunities in the near future.

Given the existing manager, SPARK Venture Management, is a specialist technology investor, and is moving its fund management focus away from retail funds towards regional and institutional funds, the Board believes that the appointment of a new manager with expertise of growing more mature businesses across a broad range of sectors furthers the Board's core aim of providing a sustainable future for the Company with a view to delivering a steady annual yield. The Board wishes to thank SPARK Venture Management for its efforts in stabilising the portfolio and starting the work in realising investments. A number of potential exits from the existing investment portfolio are in progress and SPARK Venture Management has agreed to work alongside Albion Ventures during the first 12 months in order to assist with these investments. Albion Ventures will be responsible for the administration of the portfolios with SPARK Venture Management's assistance.

Albion Ventures (formerly Close Ventures) is one of the largest and most long established VCT managers with just under £200 million of funds under management. The business was started in 1996, and currently manages seven VCTs, with a broad policy of balancing income generating, asset based investments with higher growth companies.

Pursuant to the existing investment management agreement (the "**Existing Agreement**"), the Company is required to give SPARK Venture Management not less than 12 months notice of termination. The Company and SPARK Venture Management entered into a termination agreement (the "**Termination Agreement**") on 8 December 2010, pursuant to which the Company has agreed to pay SPARK Venture Management the management and administration fees due under the Existing Agreement. Under the Termination Agreement, the management fee shall be calculated by reference to the net asset value of the Company as at 31 December 2010, subject to appropriate adjustments in respect of dividends or realisations made during 2011. SPARK Venture Management and the Company have agreed that the Termination Agreement is in settlement of all claims against each other.

Albion Ventures has agreed to waive its management and administration fees for the first year. Thereafter Albion Ventures will be entitled to an annual management fee of 2% of net asset value, along with an administration fee of £50,000 p.a. The aggregate fees payable for management and administration (including the management and administration fees due to Albion Ventures, directors' remuneration, registrars' fees, stockbrokers' fees, company secretarial fees and the fees of Company's auditors) will be subject to an aggregate annual cap of 3% of net asset value. The Board intends to discuss an appropriate incentive arrangement with Albion Ventures at a later date, which will be subject to shareholder approval at the time.

It is the Board's intention to actively review with Albion Ventures methods of increasing the cost effectiveness of the management of the Company including potential economies of scale. The Board noted in this year's Annual Report that it was alert to the possibility of a merger with appropriate VCTs.

Change of Investment Policy

The Company's investment policy was refined at the start of 2010 towards later stage opportunities but within the existing sector focus given SPARK Ventures expertise. The Board now believe that it is in shareholders' interests to adopt a new investment strategy which is to build a portfolio comprising a greater proportion of lower risk, income producing investments with a lesser proportion of higher risk investments with greater growth prospects. Together, it is intended that these two categories of investment, which are common to the majority of the seven Albion Ventures managed VCTs, will enable the Company to produce a predictable dividend stream with the prospect of a gradual recovery in capital value.

Accordingly, a general meeting of the Company will be convened to explain further the proposed investment strategy, its implications for the Company's dividend and buy back policies and to seek shareholder approval of the new investment policy. At the same time the Board will propose a shareholder resolution to change the Company's name.

Commenting upon the proposed change of Manager, Robin Field, Chairman of SPARK VCT, said, 'Following an intensive selection process, the Independent Directors reached the unanimous conclusion that shareholders' interests would be best served by appointing Albion Ventures to manage SPARK VCT PLC. Albion has an excellent reputation and its record as a manager of venture capital trusts speaks for itself. The Independent Directors believe the move to Albion Ventures offers an attractive future for shareholders'.

Patrick Reeve, Managing Partner of Albion Ventures, added: 'We were very pleased to be asked to become the fund manager of the Company. Albion is strongly committed to VCTs and we look forward to working with the Board to increase shareholder value.'

Andrew Carruthers, Managing Director of SPARK Venture Management said: "We look forward to working with Albion and the Board to realise the value that now exists within the portfolio".

Note to Editors

For further information please visit www.albion-ventures.co.uk or contact:

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