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If you have sold or otherwise transferred all of your Shares, please pass this document together with the accompanying document to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass them to the person who now owns the Shares.

Circular to Shareholders

of

IBIS Media VCT 1 plc

Incorporated in England and Wales under the Companies Act 1985 with registered number 5660269

and

Notice of General Meeting

of the Company to be held at the offices of IBIS Capital Limited to be held
at 22 Soho Square, London W1D 4NS
on 23 February 2011

in connection with proposals seeking shareholders' approval for
an offer to Existing Shareholders and members of the public
of New Ordinary Shares
("the Public Offer")

and

a Share Realisation and Reinvestment Programme
for Existing Shareholders only
(the "SRRP")
by way of

an open offer (non renounceable)
to subscribe up to 8,913,146
New Ordinary Shares

and

a tender offer
(by Brewin Dolphin Limited
acting as agent)
to buy back up to 8,913,146
Existing Ordinary Shares

Application has been made to the UK Listing Authority for the New Ordinary Shares which, subject to the approval of Shareholders, are offered for subscription under the Public Offer and the SRRP by IBIS Media VCT 1 PLC pursuant to the Prospectus published today by the Company to be listed on the Official List of the UK Listing Authority and to be admitted to trading on the London Stock Exchange's market for listed securities. It is expected that listing on the Official List will become effective and that dealings in the New Ordinary Shares will commence three Business Days following allotment. The Company's Existing Ordinary Shares in issue are traded on the London Stock Exchange's market for listed securities. The New Ordinary Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares from the date of issue. Ordinary Shares will be in registered form and no temporary documents of title will be issued. The Ordinary Shares have been admitted to CREST, a paperless settlement system so that Shareholders who wish to hold their Shares in electronic form may do so.

Whether or not you plan to attend the general meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received by 21 February 2011.

Beaumont Cornish Limited, which is authorised and regulated in the United Kingdom by the FSA and is a member of the London Stock Exchange is acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Beaumont Cornish Limited or for advising any other person in respect of the Proposals. No person has been authorised to give any information or representations other than those contained in the document and, if given or made, such information or representations must not be relied upon as having been so authorised. No representation or warranty, express or implied, is made by Beaumont Cornish Limited as to any of the contents of this document. Neither the delivery of this document hereunder nor any subsequent subscription or sale made for Ordinary Shares shall, under any circumstances, create any implication that the information contained in this document is correct as of any time subsequent to the date of this document.

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Section 1: Letter from the Chairman of IBIS Media VCT 1 plc

Directors

Robin Miller
Peter English
Simon Jamieson
Lucy Macdonald
Peter Williams
David Forster
Charles McIntyre

Registered Office

22 Soho Square,
London W1D 4NS

27 January 2011

Dear Shareholder

The Board proposes to offer for subscription to existing Shareholders and members of the public New Ordinary Shares in IBIS Media VCT, in order to raise up to an additional £5,000,000 (extendable to £10,000,000) (the "Public Offer").

The Board is also seeking authority to implement a Share Realisation and Recommitment Programme (the "SRRP"). Full details of the Public Offer and the SRRP are set out in the accompanying prospectus (the "Prospectus").

For these purposes you are being asked to vote at a general meeting of the Company. The Meeting has been convened to be held on 23 February 2011 and the Resolutions required to implement the Proposals, and which accordingly will be put to Shareholders at the Meeting, are set out in detail in Section 3 of this document.

In summary Shareholders' approval is being sought for the Company to:

- authorise the Directors pursuant to section 551 of the 2006 Act to allot and grant rights to subscribe for New Ordinary Shares (up to a maximum nominal amount of £110,000) pursuant to the Public Offer; and to facilitate share buybacks in the market ("Resolution 1"); this resolution is conditional on the passing of Resolution 5;
- disapply statutory pre-emption rights which would otherwise require the New Ordinary Shares to be allotted under the Public Offer to first be offered to Existing Shareholders in proportion to their current holdings ("Resolution 2"). Resolution 2 is conditional on the passing of Resolution 1.
- authorise the buyback of New Ordinary Shares in the market ("Resolution 3");
- authorise the SRRP as described below ("Resolution 4"); this resolution is conditional on the passing of Resolution 5; and
- approve the arrangements to be entered into with IBIS Capital Limited in its capacity as the promoter of the Public Offer and the SRRP ("Resolution 5"). Shareholders should note that Resolution 5 approves a related party transaction as David Forster and Charles McIntyre are directors of both IBIS Capital Limited and the Company.

The Public Offer

In my statement to Shareholders, included with the half-yearly report for the six months ended 31 July 2010, I highlighted three factors that were inclining the Board to consider a further fundraising. They were: the steady performance of the portfolio during an extremely challenging period; the quality and volume of investment possibilities being seen by the Investment Advisor IBIS Capital; and, the attractive investment prices which may be negotiated in the current economic climate.

With these factors in mind, the Board believes that the net funds raised under the Public Offer can be successfully invested to expand the number of companies in the portfolio as well as to support the initiatives of existing portfolio companies. Of the 9 companies in the current portfolio, IBIS has made follow-on investments in 7 of them. Portfolio companies have historically provided ready access to a pipeline of further investment opportunities. In addition, the Investment Advisor IBIS Capital continues to be approached for investment by new companies that would be suitable for IBIS Media VCT's investment committee to consider.

IBIS Capital believes that the current economic environment has reduced the valuation expectations of companies seeking to raise new funds. As a consequence, the investment advisor believes that there are currently opportunities to make new investments at attractive prices.

New Ordinary Shares in the Company will be issued under the Public Offer at a price calculated on the basis of the following pricing formula:

the latest published Net Asset Value per Share on the date of allotment divided by 0.95 to allow for issue costs of 5.0%, rounded up to the nearest 0.5p per share.

The number of New Ordinary Shares allotted will be calculated by dividing the amount subscribed by the Public Offer price as determined by this pricing formula, rounded down to the nearest New Ordinary Share. The application of this pricing formula

avoids the need to announce repeatedly the price of the New Ordinary Shares whilst the Public Offer is open and also makes clear the basis on which the price of the New Ordinary Shares will be determined.

For illustration purposes only, based on the unaudited NAV as at 31 October 2010 the issue price of New Ordinary Shares would be as follows:

	NAV per Share at 31 October 2010 (pence)	Divided by 0.95 to allow for Offer costs (pence)	Rounded up to the nearest 0.5 pence	Effective price per Share after 30% income tax relief (where applicable) (pence)
Subscription of new cash	92.56	97.43	97.5	68.25

The final price may be higher or lower than set out above as it will be determined by reference to the latest published NAV on the day of allotment. The Board will set the issue price in accordance with this pricing formula so as to avoid any dilution in the NAV of the Existing Ordinary Shares when the New Ordinary Shares are issued.

The Directors believe the Proposals are likely to promote the success of the Company for the benefit of each Company's Shareholders as a whole. Funds raised under the Public Offer will increase the Company's net assets and allow the Company's administrative costs to be spread across a wider asset base. Funds raised may also be used to provide financial support for existing portfolio companies.

The Public Offer provides the Company with probably its last opportunity to raise capital which can be invested substantially in secured loans, as capital raised after the end of the current tax year will need to be invested substantially in Eligible Shares. This follows the introduction by Finance (No 3) Act 2010 of new rules which increase the proportion of a VCT's qualifying investments that must be held as Eligible Shares from 30% to 70% where those investments are funded by money raised after 6 April 2011. Money raised under the Public Offer on or before 5 April 2011 can therefore be invested on more preferential terms than will be possible for monies which the Company may raise in the future. Accordingly, the Directors believe the Public Offer, if approved by Shareholders at the Meeting, provides Shareholders with an attractive opportunity to invest further in the Company before the changes to the VCT Rules take effect.

It is proposed to offer an incentive of additional bonus shares to investors who support the Public Offer. In the case of new investors this incentive would be a number of additional New Ordinary Shares equal to 2% of the amount subscribed divided by the Public Offer price provided they invest on or before the 16 March 2011. In the case of Existing Shareholders on the register on the date when the Public Offer is announced it is proposed that this incentive would be a number of additional New Ordinary Shares equal to 2% of the amount subscribed divided by the Public Offer price.

If there is a strong demand for New Ordinary Shares under the Public Offer the Board will consider increasing the size of the Public Offer up to £10 million depending on the extent to which Existing Shareholders subscribe for Additional New Ordinary Shares under the SRRP. The resolutions to be proposed at the Meeting to authorise the Public Offer will, if passed by Shareholders, enable the Directors to increase the maximum amount to be raised under the Public Offer at their discretion to £10 million without further reference to Shareholders.

The Share Realisation and Recommitment Programme (the "SRRP")

The SRRP will, subject to certain conditions, allow existing Shareholders to claim further tax relief whilst retaining their existing interest in the Company. The SRRP will not be suitable for all Shareholders for the reasons described below in the paragraph entitled "Is the SRRP in the interests of all Shareholders?" but it is expected that many Ordinary Shareholders will find the opportunity to participate attractive.

The reason for the SRRP is that it is an efficient mechanism for significantly reducing the cost at which a market sale of VCT shares can normally be achieved as VCT shares are normally bought back in the market at a significant discount to the prevailing net asset value and the typical 'all in' costs of fresh issues of ordinary shares are approximately 5% of the amount subscribed. The SRRP also rewards Shareholder loyalty with further VCT Relief for reinvesting in the Company and not in another VCT.

Shareholders who acquired their Ordinary Shares after 5 April 2006 will lose any 'front end' VCT income tax relief obtained on acquisition if they sell their Existing Ordinary Shares under the SRRP Tender Offer because Ordinary Shares acquired after 5 April 2006 must be held for at least five years in order for VCT income tax relief to crystallise. The Board intends to explore the viability of offering further SRRPs for Shareholders in the future in order to provide Shareholders who hold Ordinary Shares which they acquired after 5 April 2006 or who acquire Ordinary Shares pursuant to the Public Offer with the opportunity to also benefit from the additional tax relief under a SRRP.

Full details of the Public Offer and the SRRP are detailed in the Prospectus which has been prepared in accordance with the Prospectus Rules made under Section 84 of the Financial Services and Markets Act ("FSMA"), which has been approved by the

Financial Services Authority in accordance with FSMA and is published today. A copy of the Prospectus accompanies this document and is also available from the offices of IBIS Media VCT and the following website: <http://www.ibismediavct.com>

The SRRP – further tax relief of up to 30% for shareholders able to participate in the SRRP

Given that IBIS Media VCT is a mature VCT, such that some Shareholders acquired their Existing Ordinary Shares before 6 April 2006, the Board believes it is appropriate to provide the SRRP option. A SRRP is intended to allow Shareholders to obtain fresh income tax relief without needing to sell holdings in one VCT to invest in another.

In a SRRP, a VCT shareholder buys new shares in order to obtain additional VCT tax relief of up to 30% of the amount re-subscribed for the new shares and he finances their purchase by selling his existing shares back to the VCT. This does not involve any increase in the issued share capital and no net cash payment is required from the shareholder.

The SRRP has been structured as an open offer and a tender offer. The terms of the open offer are set out in Section 2 of Part 8 of the Prospectus ("the SRRP Open Offer"). The terms of the tender offer are set out in Section 3 of Part 8 of the Prospectus ("the SRRP Tender Offer").

The SRRP Open Offer provides the opportunity for Shareholders to buy New Ordinary Shares in the Company, pro rata to their existing rights, with the benefit of VCT Relief, including income tax relief of up to 30% of the amount subscribed.

The SRRP Tender Offer provides the opportunity for Shareholders to sell their Existing Ordinary Shares back to the Company to finance this purchase. The SRRP Tender Offer is open to all Shareholders on the Company's share register on the Record Date, but is subject to the condition that Shareholders must buy 97 New Ordinary Shares under the SRRP Open Offer for every 100 which they sell under the SRRP Tender Offer. This condition ensures that (save for the associated costs of the SRRP amounting to 3% of the gross amount raised by the SRRP Open Offer) the SRRP does not lead to a reduction in the reserves of the Company.

Shareholders who satisfy this condition may participate in the SRRP Tender Offer by tendering all or a proportion of their holdings of Existing Ordinary Shares, not including any shares purchased under the SRRP Open Offer or the Public Offer. The SRRP Tender Offer is open to all Shareholders, in accordance with the Listing Rules, even though there are conditions attached to participation, given that these are administrative only.

HMRC has confirmed that, in accordance with the current VCT Rules and their interpretation, VCT tax reliefs, including 30% income tax relief, will be available on the total amount re-subscribed under the SRRP Open Offer for New Ordinary Shares, subject to Shareholders' personal circumstances.

Is the SRRP in the interests of all Shareholders?

All Shareholders may participate in the SRRP but Shareholders should consult with their professional tax advisers as to whether it is appropriate for them to do so.

Shareholders who own Existing Ordinary Shares purchased since 6 April 2006 will lose any "front end" income tax relief which they have obtained if they sell them under the SRRP Tender Offer and therefore will most likely not want to participate in the SRRP Tender Offer.

The Board intends to explore the viability of offering further enhanced buybacks to shareholders in future years in order to provide Shareholders who purchased shares after 6 April 2006 the opportunity to benefit also from the additional tax relief.

How does the SRRP work?

In order for a Shareholder to buy New Ordinary Shares and obtain additional VCT tax relief of up to 30% without subscribing additional money the Shareholder must sell 100 Existing Ordinary Shares for every 97 New Ordinary Shares which he or she buys.

The closing date for the submission of the SRRP Application Form will be 3.00 pm on 16 March 2011 or such later date as may be announced by the Company (the "SRRP Closing Date").

At what price will Shares be bought and sold under the SRRP?

New Ordinary Shares may be subscribed under the SRRP Open Offer at a price equal to approximately 103% of the most recently published net asset value of an Existing Ordinary Share prior to the SRRP Closing Date (rounded up to the nearest 0.01p per Ordinary Share).

Existing Ordinary Shares may be sold under the SRRP Tender Offer at a price equal to approximately 100% of the most recently published net asset value of an Existing Ordinary Share prior to the SRRP Closing Date (rounded down to the nearest 0.01p per Ordinary Share).

The SRRP Open Offer is not conditional on a minimum subscription being achieved.

New Ordinary Shares subscribed under the SRRP Open Offer will not qualify for the additional bonus issue of New Ordinary Shares pursuant to the incentive arrangements described above in connection with the Public Offer.

How can Shareholders apply to participate in the SRRP?

Shareholders can apply to participate in the SRRP by completing the SRRP Application Form which each Shareholder will receive, in addition to the Prospectus. Instructions for the completion of the SRRP Application Form are contained in Part 8 of the Prospectus. Applications to participate in the SRRP must be received by the Company no later than 3.00pm on the SRRP Closing Date.

Directors' Intentions under the Public Offer and the SRRP

The Directors intend to participate in the SRRP in respect of the Ordinary Shares each acquired before 6 April 2006. Each Director intends to re-invest at least 50% of their personal tax relief generated by the SRRP by subscribing for New Ordinary Shares under the Public Offer in the amounts set out below.

	Existing Shareholding as at 27 January 2011	Minimum Proposed Subscription Under the Public Offer (including Incentive Shares)	Expected Shareholding* following the close of the Public Offer
Sir Robin Miller	68,748	7,408	74,626
Peter English	127,772	3,703	130,710
Lucy Macdonald	94,041	7,408	99,919
Peter Williams	63,742	5,926	68,444
Simon Jamieson	114,666	14,816	126,421
David Forster	707,194	29,634	730,706
Charles McIntyre	423,689	29,634	447,201

* Adjusted for reduction in the existing shareholding which arises from participation in the SRRP

Effect of the Public Offer and the SRRP on the assets, liabilities and earnings of the Company

As at 31 July 2010, the date to which the most recent unaudited financial statements of the Company have been drawn up, the Company had net assets of £8,048,336. The net assets of the Company will be increased by the net proceeds of the Public Offer and also by the net proceeds of issuing Additional New Ordinary Shares subscribed under the SRRP Open Offer. The costs of the Public Offer are 5% of the gross amount subscribed plus trail commission agreed to be paid to intermediaries. If £5,000,000 were raised under the Public Offer the net assets of the Company as at 31 July 2010 would be increased by £4,750,000 (disregarding any trail commission). If £10,000,000 were raised under the Public Offer, the net assets of the Company would be increased by £9,500,000 (disregarding any trail commission). Based upon the latest NAV per Ordinary Share of 92.56p, the maximum number of Ordinary Shares (disregarding Incentive Shares) which could be issued under the Public Offer if £5,000,000 were to be raised would be 5,131,362 and if £10,000,000 were to be raised would be 10,262,724 representing, respectively, approximately 64% and 129% of the current issued share capital of the Company. The Directors have authority to issue up to 11,000,000 New Ordinary Shares pursuant to the Public Offer, representing 137% of the current issued share capital of the Company. The costs of the SRRP are 3% of the gross amount subscribed under the SRRP Open Offer.

If no Additional New Ordinary Shares are subscribed under the SRRP then the SRRP has the following impacts:

- (i) First, the net assets of the Company will be decreased by the costs of the SRRP. These are estimated at £127,388 on the basis of a NAV per share of 92.56p as at 31 October 2010 and 4,587,589 New Ordinary Shares being subscribed under the SRRP Open Offer (representing 97% of the Existing Ordinary Shares subscribed before 6 April 2006);
- (ii) Second, the net assets of the Company will not be increased by the amount subscribed, net of costs, under the SRRP Open Offer as that amount will be applied in acquiring Existing Ordinary Shares under the SRRP Tender Offer;
- (iii) Third, notwithstanding the reduction in net assets of the Company occasioned by the 3% costs of the SRRP, the NAV per Ordinary Share will not reduce because the number of Ordinary Shares in issue will decrease by 3% pursuant to the SRRP Tender Offer.

In effect, the costs of the SRRP are borne by those Shareholders who participate in the SRRP.

If Additional New Ordinary Shares are subscribed under the SRRP then the net assets of the Company as at 31 July 2010 would be increased by the net amount subscribed after costs for Additional New Ordinary Shares.

If the SRRP Tender Offer were taken up in respect of Existing Ordinary Shares acquired before 6 April 2006 the maximum number of Additional New Ordinary Shares available for subscription would be 3,460,175 and at a NAV of 92.56p per share the net proceeds of a full subscription for Additional New Ordinary Shares would be £3,202,738 and the Company's net assets would increase by this amount. The decision of the Board as to whether to increase the maximum amount to be raised under the Public Offer from £5m to £10m will depend on the extent to which Existing Shareholders subscribe Additional New Ordinary Shares under the SRRP, the overall objective of the Company being to raise additional funds for investment of between £5m and £10m.

The impact of the Public Offer and the SRRP on the Company's earnings should be accretive to the extent, if any, that interest earned on the proceeds will exceed expenses. Save as described above, the Company will not incur any liabilities as a result of the Public Offer or the SRRP.

Risk Factors

Additional capital raised by the Company will need to be invested in accordance with the VCT Rules within three years. Failure to do so might result in the Company losing its qualifying status as a VCT resulting in adverse tax consequences for investors, including a requirement to repay income tax relief obtained in respect of investments in the Company made after 5 April 2006. Whilst it is the intention of the Directors that IBIS will be managed so as to continue to qualify as a Venture Capital Trust, there can be no guarantee that such status will be maintained.

The past performance of the Investment Adviser is not necessarily an indication of the future performance of the Company and the net asset value of the Ordinary Shares will reflect the values and performance of the underlying assets in the Company's portfolio. The value of investments and income derived from them can rise and fall. The level of returns to Shareholders may be less than expected if there is a delay in the investment programme such that all or part of the net proceeds of the Public Offer and of subscriptions for Additional Ordinary Shares under the SRRP are held in cash or near cash investments for longer than expected or if the interest rates obtained on loans or overall returns on equity investments made from the new monies raised is less than planned.

However, as stated above, the Board believes that the net funds raised under the Public Offer and the SRRP can be successfully invested to expand the number of companies in the portfolio as well as to support the initiatives of existing portfolio companies, and these risks are therefore regarded as minimal.

Appointment of IBIS Capital Limited as promoter

It is proposed, subject to Shareholders' approval, that IBIS Capital Limited be appointed by the Company to act as the promoter of the Public Offer and the SRRP Open Offer. This appointment would take effect pursuant to a Sponsorship and Promotion Agreement dated 27 January 2011 between IBIS (1), the Directors (2), Beaumont Cornish Limited (3) and IBIS Capital Limited (4), whereby Beaumont Cornish Limited agreed to act as sponsor in connection with the Offers and, subject to Shareholders' approval, IBIS Capital Limited agreed to act as promoter in connection with the Offers. The Company will pay to IBIS Capital Limited a commission of 5% of the gross amount subscribed under the Public Offer and 3% of the amount subscribed under the SRRP Open Offer out of which will be paid all costs, charges and expenses of or incidental to the Public Offer and the SRRP including the fees of Beaumont Cornish Limited and stamp duty in relation to the SRRP Tender Offer (save that the Company, pursuant to the terms of the Public Offer will pay annual trail commission (subject to the limitations of section 553 of the Companies Act 2006) and any travelling fees of the Directors and IBIS Capital Limited). The agreement contains warranties given by the Directors and IBIS Capital Limited to Beaumont Cornish Limited. In addition the Company has agreed to indemnify Beaumont Cornish Limited and IBIS Capital Limited for any loss suffered in respect of their respective roles as sponsor and promoter to the Offers. The Company's liability under this indemnity is unlimited.

The Board believes that these terms provide appropriate remuneration for and incentivise IBIS Capital Limited to deliver and exceed the Company's primary objectives of raising additional capital as well as acting in the best interests of Shareholders.

Both the Public Offer and the SRRP are conditional upon Shareholders passing Resolution 5 approving the appointment of IBIS Capital Limited as the promoter of the Public Offer and the SRRP on the terms set out in the Sponsorship and Promotion Agreement.

IBIS Capital Limited, as the Company's investment adviser is regarded as a related party of the Company under the Listing Rules. Therefore the terms of this appointment with regard to its role as a promoter constitutes a related party transaction for the purpose of the Listing Rules and requires Shareholders' approval. David Forster and Charles McIntyre are each directors of the Company as well as directors of IBIS Capital Limited and are also therefore regarded as related parties under the Listing Rules.

General meeting – Resolutions relating to the Public Offer and the SRRP

The Public Offer and the SRRP both need to be approved by Shareholders in order to proceed. Accordingly a general meeting of the Company has been convened for 23 February 2011 at 22 Soho Square, London W1D 4NS. The notice of meeting appears in Section 3 of this document.

A detailed explanation of the Resolutions to be proposed at the Meeting appears at the end of the notice set out in Section 3 of this document. In summary Shareholders approval is being sought for the Company to:

- authorise the Directors pursuant to section 551 of the 2006 Act to allot and grant rights to subscribe for New Ordinary Shares (up to a maximum nominal amount of £110,000) pursuant to the Public Offer; and to facilitate share buybacks in the market ("Resolution 1"); this resolution is conditional on the passing of Resolution 5;
- disapply statutory pre-emption rights which would otherwise require the New Ordinary Shares to be allotted under the Public Offer to first be offered to Existing Shareholders in proportion to their current holdings ("Resolution 2"). Resolution 2 is conditional on the passing of Resolution 1.
- authorise the buyback of New Ordinary Shares in the market ("Resolution 3");
- authorise the SRRP as described below ("Resolution 4") - this resolution is conditional on the passing of Resolution 5; and
- approve the arrangements to be entered into with IBIS Capital Limited in its capacity as the promoter of the Public Offer and the SRRP ("Resolution 5"). Shareholders should note that Resolution 5 approves a related party transaction as David Forster and Charles McIntyre are directors of both IBIS Capital Limited and the Company.

Shareholders' approval is required as a result of the requirements of the Companies Act 2006 with regard to all of the above proposed Resolutions excepting Resolution 5, Shareholder approval of which is required under Listing Rule 11.

Pages 13-14 contain further and more detailed explanations of all the resolutions proposed to be passed at the Company's general meeting scheduled for 23 February 2011.

Recommendations

The Board considers that the proposals to effect the Public Offer, the SRRP, the proposed arrangements with IBIS Capital Limited and the Resolutions to be considered at the general meetings of the Company are in the best interests of the Company and their Shareholders as a whole. The Board which has been so advised by Beaumont Cornish Limited, consider the terms of the proposed arrangements to be entered into with IBIS Capital Limited as the promoter in respect of the Public Offer and the SRRP to be fair and reasonable so far as the Shareholders of the Company are concerned. In providing advice, Beaumont Cornish Limited has taken into account the Board's commercial assessment of these arrangements.

Accordingly the Board unanimously recommends that Shareholders vote in favour of all the Resolutions at the Meetings as they intend to do in respect of their own beneficial shareholdings which represent 17.9% of the total voting rights exercisable by the holders of Ordinary Shares (865,728 Ordinary Shares).

IBIS Capital Limited is a related party of the Company under the Listing Rules as the investment adviser to the Company. IBIS Capital Limited does not hold any Ordinary Shares and will not therefore be voting on Resolution 5 to be proposed at the general meeting of the Company.

David Forster and Charles McIntyre, each directors of the Company as well as directors and shareholders of IBIS Capital Limited, will abstain from voting in respect of Resolution 5 for consideration at the general meeting which proposes approval of the terms for the appointment of IBIS Capital Limited as the promoter of the Public Offer and the SRRP. Mr. Forster holds 643,525 Ordinary Shares representing 8% of the total voting rights exercisable by the holders of Ordinary Shares. Mr. McIntyre holds 398,437 Ordinary Shares representing 5% of the total voting rights exercisable by the holders of Ordinary Shares. Each of Mr. Forster and Mr. McIntyre have undertaken to take all reasonable steps to ensure that their respective associates do not vote on this resolution. Additionally neither Mr. Forster nor Mr. McIntyre have taken part in the Board's consideration of the terms of the appointment of IBIS Capital Limited as the promoter in respect of the Public Offer and the SRRP.

Action to be taken

Attached to this document is a form of proxy for use at the Meeting. Shareholders are asked to complete and return the form of proxy to the Company's registrar, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, so as to be received as soon as possible, and in any event to arrive no later than 48 hours before the time of the Meeting. Completion and return of a form of proxy will not affect a Shareholder's right to attend and vote at the relevant Meeting should he or she wish to do so.

I look forward to welcoming you at these meetings and to your support for the Resolutions to be proposed at them.

Yours sincerely

Robin Miller

Chairman of IBIS Capital Media 1 VCT plc

Registered Office:
22 Soho Square,
London W1D 4NS

Appendix to the letter from the Chairman of IBIS Capital Media 1 VCT plc

Additional Information

- 1 Except as disclosed below, the Company is not aware of any person who, at the date of this Circular, is interested directly or indirectly in 3% or more of the capital of the Company or who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

Interests in the capital of the Company representing 3% or more of the issued share capital of the Company are as follows:

Name of Shareholder	Number of Ordinary Shares as at 26 January 2011	Percentage of Ordinary Shares in Issue as at 26 January 2011
M Alen-Buckley	664,667	7.5%
D Forster	498,078	5.6%
C Davies	410,081	4.6%
A Beckingham	408,162	4.6%
C McIntyre	382,873	4.3%

2. The net asset value increased from 90.30p per Existing Ordinary Share as at 31 July to 92.56p per Existing Ordinary Share as at 31 October 2010 predominantly due to an increase in the underlying value of the fixed asset investments of the Company. There has been no significant change in the Company's financial or trading position since 31 July 2010, the date of the latest unaudited IBIS Capital Media 1 VCT plc interim report.
3. David Forster and Charles McIntyre, each directors of the Company as well as directors and shareholders of IBIS Capital Limited, were appointed as directors of the Company on 23 January 2006 and their appointment does not confer any right to hold office for any period nor any right to compensation if they cease to be directors. Neither Mr. Forster nor Mr. McIntyre receive any remuneration from the Company for acting as directors.
4. Beaumont Cornish Limited have consented to the issue of this circular with the inclusion of references to their name appearing in the form and context in which they appear.

Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on weekdays, Saturdays and public holidays excepted, at the offices of IBIS Media VCT 22 Soho Square, London W1D 4NS whilst the Public Offer is open:

- the Memorandum and Articles of the Company;
- the annual report and accounts for the Company for the three years ended 31 January 2008, 2009 and 2010 and the unaudited interim reports for the Company for the six month periods ended 31 July 2010 and 31 July 2009; and
- the Prospectus.

27 January 2011

Section 2: Definitions

In this Circular and the Notice attached the following expressions have the following meanings:

“Additional New Ordinary Shares”	the number of New Ordinary Shares subscribed for under the SRRP Open Offer by a Shareholder (i) who does not sell any Existing Ordinary Shares under the SRRP Tender Offer; or (ii) which is more than 97 New Ordinary Shares for every 100 existing Ordinary Shares sold under the SRRP Tender Offer
“the 2006 Act”	the Companies Act 2006
“Articles”	the articles of association of the Company
“Board” or “Directors”	the board of directors of the Company
“Business Days”	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
“Company” or “IBIS Media VCT”	IBIS Media VCT 1 plc
“Eligible Shares”	in relation to a company which is a Qualifying Company, currently means ordinary shares which carry no present or future preferential right to dividends or to the assets of the company on its winding up, and no present or future right to be redeemed but which, from 6 April 2011 pursuant to Finance (No 3) Act 2010, will mean shares which may carry a non-cumulative preferential right to a dividend, expressed as a fixed or variable rate of the amount invested, but which must not be entitled to a preferential return of assets on a winding-up nor have rights to be redeemed
“Existing Ordinary Shares”	the Ordinary Shares in issue at the Record Date
“Existing Shareholders”	the holders of Existing Ordinary Shares
“Ordinary Shares”	ordinary shares of 1p each in the capital of IBIS Media VCT 1 PLC
“FSMA”	the Financial Services and Markets Act 2000, as amended
“FSA”	the Financial Services Authority
“Listing Rules”	the listing rules of the UKLA
“Meeting”	the general meeting of IBIS Media VCT 1 PLC to be held on 23 February 2011
“New Ordinary Shares”	new Ordinary Shares to be offered for subscription pursuant to the Public Offer and the SRRP
“Proposals”	the proposals to effect the Public Offer, the SRRP and to pass the Resolutions to be proposed at the Meeting
“Prospectus”	the prospectus published today in connection with the Public Offer and the SRRP and prepared in accordance with the prospectus rules made under Section 84 of FSMA and approved by the FSA in accordance with FSMA
“Public Offer”	the offer for subscription shareholders and members of the public to raise in aggregate up to £5,000,000 or at the discretion of the Board, up to £10,000,000 by issues of New Ordinary Shares by IBIS Media VCT 1 PLC pursuant to the Prospectus
“Qualifying Company”	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
“Qualifying Investments”	Shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
“Resolutions”	the resolutions to be proposed at the Meeting (and each a “Resolution”)
“Shareholders”	the holders of Ordinary Shares
“the SRRP”	the SRRP Tender Offer and the SRRP Open Offer
“the SRRP Closing Date”	3.00 p.m. on 16 March 2011 or such later date as may be announced by the Company
“SRRP Open Offer”	the offer to subscribe for New Ordinary Shares pro rata to rights on the terms set out in Section 2 of Part 8 of the Prospectus
“SRRP Tender Offer”	the SRRP Tender Offer described in Section 3 of Part 8 of the Prospectus
“Tax Act”	the Income Tax Act 2007
“UKLA”	the UK Listing Authority, being the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“VCT Rules”	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts

Section 3: IBIS Media VCT 1 plc Notice of General Meeting

Notice is hereby given that a general meeting of IBIS Media VCT 1 plc will be held at 22 Soho Square, London W1D 4NS on 23 February 2011 at 3.00 p.m. for the purposes of considering and, if thought fit, passing the following resolutions.

Resolutions 1 and 3, will be proposed as ordinary resolutions of the members of the Company, that is to say, as resolutions to be passed by a simple majority.

Resolutions 2 and 4 will be proposed as special resolutions of the members of the Company, that is to say, as resolutions to be passed by a majority of not less than 75%.

1. Authority to allot Shares

THAT, conditionally on the passing of Resolution 5 below and Resolution 2 below, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the 2006 Act") to allot Ordinary Shares of a nominal value of 1p each and to grant rights to subscribe for or to convert any security into Ordinary Shares in the Company up to an aggregate nominal amount of £110,000 provided that this authority shall expire on the fifth anniversary of the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted or rights to subscribe for or convert securities into Ordinary Shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

This resolution is additional to and does not revoke or replace existing and unexercised authorities previously granted to the Directors to allot Ordinary Shares or grant rights to subscribe for or convert securities into Ordinary Shares.

2. Disapplication of pre-emption rights

THAT, subject to the passing of Resolution 1 granting authority to allot Ordinary Shares, the Directors be and hereby are given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred by Resolution 1 as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities with an aggregate nominal value not exceeding £110,000 pursuant to an offer for subscription to Shareholders and members of the public pursuant to a prospectus published on 27 January 2011 ("the Public Offer");
- (b) the allotment of equity securities from time to time with an aggregate nominal value of up to 5% of the issued Ordinary Share capital of the Company immediately following close of the Public Offer.

and

- (c) the allotment of Ordinary Shares with an aggregate nominal value of up to 10% of the issued Ordinary Share capital of the Company immediately following the close of the Public Offer where the proceeds of the allotment are to be used in whole or in part to purchase the Company's Ordinary Shares in the market.

The power granted by this resolution will expire on the date falling fifteen months after the date of the passing of this resolution save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution is additional to and does not revoke or replace existing and unexercised powers previously granted to the Directors to allot equity securities as section 561(1) of the 2006 Act did not apply.

3. Market purchase of own shares.

TO authorise the Company generally and unconditionally to make market purchases (within the meaning of section 693(4) of the 2006 Act) of Ordinary Shares of one penny each provided that:

- (a) the aggregate nominal amount of the Ordinary Shares to be purchased shall not exceed 14.99% of the issued Ordinary Shares following the close of the Public Offer;
- (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is 1p;
- (c) the maximum price (excluding expenses) which may be paid for each Ordinary Share is the higher of:
 - (i) 105% of the average of the middle market quotation for Ordinary Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Shares are purchased; and
 - (ii) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for: the last

independent trade of, and the highest current independent bid for, any number of the Company's Ordinary Shares on the trading venue where the purchase is carried out.

- (d) the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in the year 2011 unless such authority is renewed prior to such time; and
- (e) the Company may make a contract to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to such contract.

4. Share Realisation and Recommitment Programme

THAT, conditionally upon the passing of Resolution 5 below:

- (a) in addition to existing authorities, the Directors be, and hereby are generally and unconditionally authorised pursuant to section 551 of the CA 2006 to allot Ordinary Shares of a nominal value of 1p each in the capital of the Company ("Ordinary Shares") up to an aggregate nominal amount of £89,131; representing approximately 100% of the issued Ordinary Share capital of the Company prior to the allotment of Ordinary Shares pursuant to the Public Offer;
- (b) in addition to existing authorities, the Directors be and hereby are given the general power to allot Ordinary Shares of 1p each in the capital of the Company for cash pursuant to the authority conferred by paragraph 4 (a) as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to: (i) the allotment of Ordinary Shares in substitution for shares of the same class already admitted to trading on the same regulated market where the issue of Ordinary Shares does not involve any increase in the issued Ordinary Share capital of the Company and where the proceeds of the issue may be used in whole or in part to finance the purchase of Ordinary Shares pursuant to paragraph 4(c) below; and (ii) the allotment of Ordinary Shares to Ordinary Shareholders in proportion (as nearly as may be practicable) to their existing holdings in each case at a price per Ordinary Share equal to the most recently published net asset value of an Existing Ordinary Share as at close of business two days prior to the date of allotment divided by 0.97 (rounded up to the nearest 0.01p per Ordinary Share); and
- (c) in addition to existing authorities, the Company be generally and unconditionally authorised pursuant to section 701 of the CA 2006 to make market purchases (within the meaning of section 693(4) of the 2006 Act) of Ordinary Shares by means of a tender offer to all holders of Ordinary Shares to purchase up to 8,913,146 Ordinary Shares (representing approximately 100% of the issued Ordinary Share capital of the Company prior to the allotment of Ordinary Shares pursuant to the Public Offer) at a fixed price equal to the most recently published net asset value per Ordinary Share prior to the date of purchase and rounded down to the nearest 0.01p per Ordinary Share (which fixed price shall, for the purposes of section 701 (3) (b) of the 2006 Act constitute both the maximum and the minimum price that may be paid for the Ordinary Shares purchased; and
- (d) the authority conferred by this resolution ("the SRRP Authority") shall expire on the first anniversary of the date of the passing of this resolution save that the Company may, before such expiry, make offers or agreements which would or might require Ordinary Shares to be allotted and purchased and the Directors may allot and purchase Ordinary Shares in pursuance of such offers or agreements notwithstanding that the authority conferred by this resolution has expired.

5. Appointment of IBIS Capital Limited as promoter

THAT the proposed terms relating to the appointment of IBIS Capital Limited as the promoter of the Public Offer and the SRRP on the terms described in the Circular accompanying this notice be and are hereby approved.

By order of the Board

22 Soho Square, London W1D 4NS

Secretary

Company Secretary

27 January 2011

Notes to the Notice of General Meeting of IBIS Media VCT 1 plc

Entitlement to attend and vote

1. Only those members registered on the Company's register of members at: 6.00 pm on 21 February 2011; or, if this Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

IBIS Capital Limited website provides information regarding the Meeting

2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.ibismediavct.com>

Attending in person

3. If you wish to attend the meeting in person, please bring with you the attendance card provided.

Appointment of proxies

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
5. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.
6. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one Ordinary Share.
8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy proxy form

9. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be: completed and signed; sent or delivered to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL; and be received by Share Registrars Limited no later than 3.00 p.m. on 21 February 2011.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

11. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL; If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

12. In order to revoke a proxy instruction you will need to inform the Company by the following method: By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy

of such power or authority) must be included with the revocation notice. The revocation notice must be received by Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL no later than 3.00 p.m. on 21 February 2011. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

13. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

14. As at 27 January 2011, the Company's issued share capital comprised 8,913,146 Ordinary Shares of 1p each. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 23 February 2010 is 8,913,146. The website referred to in note 2 will include information on the number of shares and voting rights.

Questions at the Meeting

15. Under section 319A of the Companies Act 2006, the Company must answer any question asked by a Shareholder relating to the business being dealt with at the meeting unless: answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; the answer has already been given on a website in the form of an answer to a question; or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Communication

16. Except as provided above, members who have general queries about the Meeting should call the IBIS shareholder helpline on 0131 243 7210.

Nominated persons

17. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person): You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Explanation of Resolutions

Resolutions 1 and 2: Grant of authority to allot Shares and Disapplication of pre-emption rights

These resolutions are intended to enable the Board to issue Ordinary Shares and to do so without first offering them to existing Shareholders.

Resolution 1: Grant of authority to allot Shares

If passed, this resolution authorises the Directors to allot Ordinary Shares and to grant rights to subscribe for Ordinary Shares in accordance with section 551 of the 2006 Act up to a maximum nominal amount of £110,000 which would represent approximately 137% of the Company's issued ordinary shares as at 27 January 2011. The authority granted by this resolution will expire on the fifth anniversary of the date of the passing of this resolution. The Directors intend to exercise this authority in order to allot Ordinary Shares as set out in the Prospectus. The Company does not hold Ordinary Shares in Treasury. This resolution is additional and does not revoke the authority granted at the Company's last annual general meeting. This resolution is conditional on the passing of Resolution 5.

Resolution 2: Disapplication of pre-emption rights

If passed, this resolution will give the Directors power, pursuant to the authority granted by Resolution 1, to allot equity securities (as defined by section 560 of the 2006 Act) without first offering them to existing Shareholders in proportion to their existing holdings, up to a maximum nominal amount of £110,000 which would represent approximately 137% of the Company's issued ordinary shares (excluding treasury shares) as at 27 January 2011.

The Directors intend to exercise this power in order to allot Ordinary Shares

- i) pursuant to the Public Offer;
- ii) with an aggregate nominal value of up to 10% of the issued Ordinary Share capital of the Company immediately following the close of the Public Offer where the proceeds of the allotment are to be used in whole or in part to purchase the Company's Ordinary Shares in the market; and
- iii) with an aggregate nominal value of up to 5% of the issued Ordinary Share capital of the Company immediately following the closing of the Offer to the Public Offer.

The power granted by this resolution will expire on the date falling fifteen months after the date of the passing of this resolution save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution is additional to and does not revoke or replace existing and unexercised powers previously granted to the Directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

Resolution 3: Market purchase of own Shares

This resolution seeks authority for the Company to make market purchases of its own Ordinary Shares. If passed, the resolution gives authority for the Company to purchase up to 14.99% of the issued Ordinary Shares following the close of the Public Offer.

The resolution specifies the minimum and maximum prices which may be paid for any Ordinary Shares purchased under this authority.

The authority will expire on the conclusion of the annual general meeting of the Company to be held in the year 2011 unless such authority is renewed prior to such time.

The Directors will only exercise the authority to purchase Ordinary Shares where they consider that such purchases will be in the best interests of shareholders generally.

The Directors currently intend to cancel all Ordinary Shares purchased under this authority.

The Company does not have any outstanding share warrants or options in respect of Ordinary Shares.

Resolution 4: Share Realisation and Recommitment Programme

This resolution authorises the Board to offer its Shareholders the opportunity to sell existing Ordinary Shares and buy new Ordinary Shares in order to qualify for further income tax relief of up to 30%. The price of the Company Ordinary Share buyback would be at a fixed price equal to the net asset value per Ordinary Share prior to the date of purchase and rounded down to the nearest 0.01p per Share. The subscription price for new Ordinary Shares would be at a price per Ordinary Share equal to the net asset value of an existing Ordinary Share prior to the date of allotment divided by 0.97 (rounded up to the nearest 0.01p per Ordinary Share). No net cash payment would be required from a Shareholder participating in such a share realisation and recommitment programme ("SRRP") as the new Ordinary Shares applied for under the arrangement would be paid for out of the proceeds of Existing Ordinary Shares purchased by the Company under the buyback. This resolution is conditional on the passing of Resolution 5.

Resolution 5: Sponsor and Promoter Agreement

This resolution seeks approval of the terms of a Sponsor and Promoter Agreement, under which IBIS Capital Limited will act as promoter in relation to the Public Offer and the SRRP. The fees payable to IBIS Capital Limited are 5% of the funds raised under the Public Offer and 3% of the funds raised under the SRRP Open Offer and, from this, IBIS Capital will then pay all of the attendant costs of the Public Offer and the SRRP including the fees of Beaumont Cornish Limited to act as sponsor. Shareholder approval is required to allow the Company to enter into this contract as IBIS Capital Limited is a "related party" for the purposes of the UKLA Listing Rules, IBIS Capital Limited being the Company's investment adviser. David Forster and Charles McIntyre, each directors of the Company as well as directors and shareholders of IBIS Capital Limited, will abstain from voting in respect of Resolution 5.

IBIS Media VCT 1 PLC (Company)

General Meeting

Proxy Form

Before completing this form, please read the explanatory notes below

I/We

being a member of the Company appoint the Chairman of the meeting or (see note 3)

--

as my/our proxy to attend, speak and vote on my/our behalf at the general meeting of the Company to be held on 23 February 2011 at 3.00 p.m. and at any adjournment of the meeting.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is properly put before the meeting.

RESOLUTIONS

	For	Against	Vote withheld	Discretionary
1. Public Offer authority to allot	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Disapplication of pre-emption rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Market purchase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Share Realisation and Recommitment Programme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Appointment of IBIS Capital Limited as Promoter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature	Date
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Notes to the proxy form

- As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
- Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. Additional proxy forms may be obtained by contacting the Registrar's helpline on 01252 821390 or you may photocopy this form.
- To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- To appoint a proxy using this form, the form must be: completed and signed; sent or delivered to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL.; and received by no later than 3.00 p.m. on 21 February 2011.
- In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.
- You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.