

IBIS MEDIA VCT 1 PLC (“IBIS” or the “Company”)

INTERIM MANAGEMENT STATEMENT For the period ended 15th December 2008

In accordance with Rule 4.3 of the UK Listing Authority's Disclosure and Transparency rules, IBIS Media VCT 1 plc presents an Interim Management Statement for the period 1st August 2008 to 15th December 2008.

NEW INVESTMENTS

In the third quarter of the financial year to 31st January 2009 the Company has made an investment of £800,000 in Polyview Media Ltd to finance the company's further development.

The Company has also made a follow on investment of £100,000 in Heritage House Media Ltd. IBIS's investment has been made as part of a £600,000 total fundraising provided by Heritage House's management team and its other VCT investors.

Polyview Media Ltd ('Polyview')

Polyview operates the law firm search and comparison website TakeLegalAdvice.com, which provides B2B and B2C services in the UK legal market.

The company seeks to address consumer concerns relating to the selection of legal representation, whilst offering law firms access to new business in a cost effective manner. It provides a confidential and verisign secure matching service to individuals and businesses looking to appoint a law firm.

Polyview was launched in 2006 by Mark Wyatt and Mary Heaney, co-founders of Global Professional Media Ltd, the publisher of Legal Week and legalweek.com, which was sold to Incisive Media plc in 2005.

Investment Rationale

Whilst the British legal market is sizable and is growing steadily, there is little available information to assist consumers in the selection of the right law firm or in the assessment of legal costs. Secondary data suggest that approximately 1.2 million people instruct a law firm every year in the UK. There are over 100,000 lawyers, over 10,000 law firms and over 50 specialist practice areas in England and Wales alone.

The nature of the legal profession is expected to change dramatically when the Legal Services Act comes into force in 2010 creating a number of new opportunities.

From a consumer's perspective choosing the right solicitor is a difficult process as there is no easy way in which comparisons can be made. There is limited information on which law firms can provide the right service, their competence, how to instruct them, service level expectations and importantly, cost guidelines.

TakeLegalAdvice.com is addressing this market inefficiency through an online site that seeks to provide greater transparency to the user of legal services.

Polyview has an attractive subscription and transaction based business model which is consequently not reliant upon advertising revenues.

The company has an excellent management team that has previously worked well together in the legal publishing market. Prior to founding Global Professional Media, Mark Wyatt was the publisher

of The Lawyer and thelawyer.com and a director of Centaur Publishing. Mary Heaney was formerly editor of The Lawyer.

Heritage House Media Ltd ('Heritage House')

Heritage House is a new publishing and media group addressing the needs of the owners and operators of heritage houses, castles, gardens, museums, galleries and other historical institutions. The proven and experienced management team has led the company through three acquisitions to date - Hudson, Heritage House and Jarrold contract publishing - and is currently in the process of integrating these businesses.

Investment Rationale

Intensive market research over the last twelve months has identified the heritage market as a robust, lucrative, fragmented sector serviced by a number of small, long-established independent businesses.

The size of the addressable market is substantial, with approximately 2,500 individual heritage attractions and 1,860 accredited museums in the UK alone. The international opportunities for products and services provided by Heritage House are significant.

The management team has considerable relevant experience of the publishing and media industries, and has impressed us with their tenacity and ambition in pulling together the first three acquisitions.

PORTFOLIO UPDATE

Get Me Media Ltd ('Get Me Media')

Get Me Media is an online directory of marketing and media spend ideas. The company helps marketers and their agencies find relevant and up to date marketing opportunities for their brands. The company's proposition serves two needs: 1) for media owners, it gives them a shop window to promote their inventory of media opportunities to advertisers and their agencies, from whom the media owners hope to attract a share of marketing spend; and, 2) for advertisers and their agencies, it gives them an easily navigable and searchable database of alternative media and ideas for their marketing campaigns.

Recent Developments

Get Me Media has introduced a new briefing tool which is designed to provide media owners with a direct supply of hot leads from client advertisers. The initial response has been very encouraging.

Skive Creative Ltd ('Skive')

Skive is an interactive digital agency with a strong reputation for creativity in producing websites and interactive content such as branded 'advergames'.

Recent Developments

In October 2008, the company appointed Alan Page as Executive Chairman, who brings a wealth of experience in marketing services to the Board. Alan has a strong track record in creating, developing and selling successful businesses. Alan founded and ran a number of companies in the digital marketing space, including Harari Page and 13 Ten, which later became New Media Industries and now Target Media. Alan acts as an advisor to, and a Non-Executive Director of, Target Media.

Riva Digital Media Ltd ('Riva')

Riva identifies and creates commercial and marketing initiatives for brands and businesses using a pioneering interactive entertainment and content platform. Riva designs, produces and distributes these downloadable entertainment packs (known as Epacs) for a range of clients, including consumer brands, venues and content owners.

Recent Developments

During the last quarter Riva has launched a number of new high profile Epacs, including one on Joe Calzaghe, the boxer, and one on Ant & Dec, the television presenters.

Freshwater UK Plc ('Freshwater')

Freshwater is an established, profitable, AIM-listed PR and marketing services firm. The Cardiff-headquartered company has been operating since 1997 with a record of significant growth in a fragmented industry, through both acquisitions and organic growth. The company combines a UK regional network with offices in London, Glasgow, Bristol, Birmingham, Southampton and Sheffield.

Recent Developments

On 1st December 2008 the company announced its preliminary results for the year ended 31st August 2008. Revenue was up 61% for the year to £7.51m and Profit before Tax was up 27% to £1.17m. However, the result was below prior consensus expectations, with the company noting that client spending in certain sub-sectors had been hit by the economic downturn. The company also noted that the weakness had continued into the first quarter of its new fiscal year but that the second quarter had seen an improvement. The company is implementing a series of measures to reduce its costs and restore margins.

Masher Technologies Ltd ('Masher')

Masher is an online application that allows users to create personal videos which combine content provided by the BBC together with their own videos and photos. The resulting "mashed" video can be further enhanced with the addition of music and digital effects before being uploaded to a social networking site or emailed to friends. Masher is a B2C widget application with simple and intuitive drag and drop functionality.

Recent Developments

The business was successively launched in early November 2008.

NET ASSET VALUE PER SHARE

	31 st October 2008 (Unaudited)	31 st July 2008 (Unaudited)	30 th April 2008 (Unaudited)	31 st January 2008 (Audited)
Net assets attributable to shareholders	£7,282,101	£7,521,243	£7,567,661	£7,649,317
Shares in issue	8,047,764	8,047,764	8,047,764	8,037,764
Net assets value per share	90.49p	93.46p	94.03p	95.17p
Share price at end of period	100p	100p	100p	100p

The net asset value per share at 31st October 2008 has been negatively impacted by the bid market price per share for IBIS's investment in Freshwater of 45 pence as at 31st October 2008, down from 80p at the start of the accounting period at 1st February 2008.

IBIS's investment in Freshwater is the portfolio's only AIM-listed, qualifying holding. All other qualifying investments are carried at cost of the original investment.

INVESTMENT POLICY

The over-riding objective of the Company is to make investments in unquoted companies within the media sector that have the potential to grow and to achieve capital appreciation on a subsequent exit.

SHARE BUY BACKS

The Company did not buy back any of its own shares during the period.

15 December 2008

FURTHER INFORMATION

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