

IBIS Media VCT 1 plc
Proposed Public Offer
for the tax years 2010/11 and 2011/12

£5m fundraising into an established portfolio
of private equity investments within the media sector



Important Notice

This leaflet constitutes a financial promotion pursuant to the Financial Services and Markets Act 2000, and has been approved by and is issued by IBIS Capital Limited. It is not an offer or an invitation to apply for shares in IBIS Media VCT 1 plc ("IBIS"). Applications for shares must be made solely on the basis of information contained in the IBIS prospectus ("Prospectus") which is available from IBIS Capital Ltd. (tel: 020 7070 7080 or email: info@ibismediavct.com). Any decision to invest in IBIS should be based on consideration of the Prospectus as a whole by the investor. An investment in IBIS is suitable only for investors who are capable of evaluating the risk and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. Investors should check their eligibility for income tax relief with a professional advisor. Rates and conditions of tax relief are subject to change. Changes in legislation in respect of VCTs in general, and qualifying investments in particular, may adversely affect IBIS' ability to meet its objectives and/or reduce the level of returns which would otherwise have been achieved.

Welcome to IBIS

IBIS Media VCT 1 plc (“IBIS” or the “Fund”) is an established VCT fund investing predominantly in private equity opportunities within the media sector in the UK. Since we launched the fund in 2006, we have carefully built a diversified portfolio of investments across a range of media sub-sectors. We have successfully raised new funds in each tax year since launch and are doing so again for this tax year and next. This document provides a summary of our current Public Offer, full details of which together with an application form can be found in the Prospectus.

What are the key attractions to investing in IBIS?

Here are some of the reasons we believe that an investor might find it attractive to invest in IBIS:

- the Fund already has an established portfolio of investments across nine media companies;
- IBIS ranks in the top 20% of all VCTs launched at the same time or since by total return by share¹;
- a sector-focused investment strategy that is implemented by an Investment Committee and Investment Adviser with a wealth of experience within the media sector and investment management;
- careful management of investment risk by diversifying the portfolio across multiple sub-sectors as well as using private equity investment structures to provide “downside” protection;
- significant personal investment to date of over £1.3m by the Directors and Investment Committee on top of their participation in the Public Offer;
- an “early bird” incentive for new investors subscribing by 16th March 2011 of additional ordinary shares amounting to 2% of an investor’s subscription;
- for existing shareholders, a loyalty bonus throughout the offer of additional ordinary shares amounting to 2% of a shareholder’s subscription; and,
- 30% income tax rebate on investment and tax-free dividends for qualifying VCT investors.

Investing in the Media Sector

The media industry operates within an exciting and dynamic market that encompasses a broad range of businesses from pure digital media companies with exposure to the growth in internet usage to companies operating in some of the more traditional sectors such as TV and publishing. The existing IBIS portfolio gives exposure to a diversified range of businesses in the sector.

One of the key features of the media industry is its on-going structural change. The primary driver of this change has been the pervasive influence of the internet and, with it, the opportunity for young entrepreneurial companies to introduce new business models and break down barriers to entry.

It is within this environment that we believe a specialist sector approach creates an investment advantage. Our approach is to use the media expertise and experience of the members of the Investment Committee and Investment Adviser to assess, review and analyse each opportunity. We believe that to understand the particular dynamics of a business you need the specialist knowledge of the market in which it operates. Once we have invested in a company, we stay with them and help in the process of building the company over time. Typically, we take a position on the Board and provide access to the collective experience and network of contacts of IBIS. We aim to help with the strategic decisions for the company as well as, at the appropriate time, finding the right exit for the Fund’s investment.

¹ Total return per share is the sum of the Net Asset Value per share and the cumulative dividends paid.

The current portfolio of investments

We have 9 companies currently in the IBIS portfolio, spread across a number of different industry sub-sectors within media. We have previously exited one of the investments in a company called Quintus, which we successfully sold to IMG Worldwide, the international sports, entertainment and media business, for an uplift in value of 42%.

A summary of the current portfolio together with the unaudited valuations at 31 October 2010 is presented below. We have included address details of each of the company's websites where more information can be found about each company.

Company	Sector	Activities	Date of Initial Investment	Total Investment	Unaudited Value at 31 October 2010
	Marketing Services www.getmemedia.com	Get Me Media is an online directory of marketing and media spend ideas. Over 10,000 members.	Jan 2007	£560,000	£753,772
	Marketing Services www.epacstore.com	Riva Digital Media's core activity is the design, production and distribution of Epacs, which are downloadable entertainment packs for use on PCs.	May 2007	£349,515	£73,503
	Marketing Services www.skive.co.uk	Skive is an award winning creative digital agency producing websites and interactive content. Acquired Soup Digital agency in July 2009.	May 2007	£650,000	£955,070
	Marketing Services www.freshwater.uk.com	Freshwater is an established PR and Marketing services group, able to deliver specialist expertise at a local level throughout the UK.	Jul 2007	£839,615	£318,804
	Publishing www.hhgroup.co.uk	Heritage House Group is a publisher of guides and directories principally to the heritage market.	Sep 2007	£1,254,473	£715,009
	Content www.masher.com	Masher is an online video editing and messaging application designed for online social networking.	Jul 2008	£525,000	£628,926
	Business Information www.futurelex.com	Futurelex is the publisher of the European Lawyer magazine and reference books, as well as the online sites takelegaladvice.com and procurelaw.com.	Nov 2008	£950,000	£1,607,192
	Business Information www.contagiousmagazine.com	Contagious is the B2B provider of global intelligence on current marketing techniques. Clients include some of the world's leading advertisers.	Jan 2010	£850,000	£1,352,017
	Content www.ginx.tv	Ginx produces a 24/7 TV channel and programmes focused on video games. Channel on air in Turkey and Indonesia.	Aug 2010	£750,000	£813,750

IBIS track record

We measure our performance by looking at the cumulative dividends IBIS has paid out, combined with the Net Asset Value ("NAV") attributable to each share.

The table below sets out the total returns per share from allotments in previous tax years; a performance that ranks IBIS in the top 20% compared with VCTs launched at the same time or after.

Original Allotment Date	Income Tax Relief	Effective cost per share*	Total Return per share (NAV + Dividends)**	% Uplift
2005/06 tax year	40%	60p	97.1p	+61.8%
2006/07 tax year	30%	70p	97.1p	+38.7%
2007/08 tax year	30%	70p	97.1p	+38.7%

* cost to qualifying investor after income tax relief

** NAV at 31 October 2010 plus cumulative dividends since allotment date

Source: IBIS Capital Ltd

The Investment Team

The investment team comprises the Investment Adviser and the Investment Committee. Typically, investment opportunities are sourced, reviewed and analysed by the Investment Adviser and then presented to the Investment Committee on a selected basis for consideration, and, if suitable, approved for investment.

The Investment Adviser is IBIS Capital Ltd, a firm which specialises in advising and investing in media companies in the UK. The Investment Adviser's targeted approach to the media sector provides IBIS with detailed industry knowledge and wide access to industry participants.

The senior executives of the Investment Adviser involved directly with the sourcing, analysis and structuring of investments are Charles McIntyre and David Forster.

Investment Adviser

Charles McIntyre

Co-founder, IBIS Capital, ex Apax Partners. Over 20 years of experience within the media sector, as an investor in, and adviser to, media companies.

David Forster

Co-founder, IBIS Capital, ex Merrill Lynch, Citigroup. At Citigroup David was a Managing Director, responsible for global media research. Previously co-head of a UK equity research team that was ranked number 1 each year over 8 years by UK investment institutions.

The Investment Committee comprises three senior executives from the media industry (Sir Robin Miller, Peter Williams and Gary Hughes) and three executives with considerable investment management experience (Peter English, Lucy MacDonald and Simon Jamieson).

Media Specialists

Sir Robin Miller (Chairman)

Formerly Chief Executive and Chairman of Emap plc, one of the UK's leading media groups.

Peter Williams

Group Finance Director of Daily Mail & General Trust ("DMGT"). DMGT is a leading UK-based media company with a market capitalisation of approximately £2.4 billion.

Gary Hughes

Chief Financial Officer of Gala Coral Group. He was formerly Chief Executive of CMP Information, a subsidiary of United Business Media plc and Group Finance Director of EMAP plc.

Fund Management Specialists

Peter English

Co-founder of Foresight Venture Partners ("FVP"). Over the last 20 years, FVP has achieved 27 exits through trade sales or flotation averaging a multiple of 7.5 times the original investment.

Lucy Macdonald

Managing Director and member of the board of RCM (UK), a subsidiary of Allianz Global Investors. She is responsible for £6.3 billion of global equity funds.

Simon Jamieson

Director of FF&P Asset Management Limited. He is also a member of the investment committee of both Flemings Family & Partners Asset Management Limited and FF&P Private Equity Limited.

Q&A

What are the benefits of investing in a VCT?

VCTs provide qualifying investors with attractive tax benefits. The current rules provide income tax relief of up to 30% on condition that the shares are held for at least five years. All VCT dividends are tax free. So, for example, if you subscribe £10,000 in the current offer you are eligible for income tax relief of up to £3,000. The net cost would therefore be £7,000 and you would have an investment with an asset value of £9,500².

What is the minimum I can invest?

The minimum investment is £5,000. There is no maximum, although the maximum aggregate investment in VCTs on which income tax relief can be claimed is £200,000 per person per tax year with a cap on the income tax relief of £60,000, being 30% of £200,000.

How do I apply?

Please read the Prospectus and complete the Public Offer application form at the back of the Prospectus. Your cheque should be made payable to IBIS Media VCT 1 Offer Account. This cheque together with the completed application form should be sent to the Fund's receiving agent: The City Partnership (IBIS Offer), Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF. You can get a copy of the Prospectus by calling or emailing IBIS Capital (020 7070 7080 or info@ibismediavct.com). Alternatively, ask your financial adviser for a copy.

Please be aware that an investment in IBIS is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient financial resources to bear any loss that might result from such an investment. If you have any doubt about the suitability of IBIS, you should consult a financial adviser.

How do I get the "early bird" bonus?

If you are a new investor and submit a valid application form before 16th March 2011 you will be entitled to additional free bonus shares equivalent to 2% of your subscription. Please note that there is also a loyalty bonus available throughout the offer for existing shareholders of additional ordinary shares amounting to 2% of a shareholder's subscription.

How do I claim my tax relief?

You can write to your HM Revenue & Customs office and ask them to change your tax coding under the PAYE system. You will then receive your income tax relief on a monthly basis through your salary. Alternatively, you can wait until you fill in your tax return at the end of the year in which you made your investment.

How are capital gains treated?

Any gains made on VCT shares are not subject to capital gains tax. Similarly, any losses on shares held in a VCT will not be treated as an allowable loss. Both of the above apply to the extent that the shares have been acquired within the limit of £200,000 for any tax year.

How do I follow progress of the fund?

Each year you will receive an annual report and a half yearly report. In addition, we publish on our website (www.ibismediavct.com) a further two Interim Management Statements as well as other investment announcements. Also, you are welcome to call us on 020 7070 7080.