

The Income & Growth VCT plc (the Company)

INTERIM MANAGEMENT STATEMENT

For the quarter ended 30 June 2008

NET ASSET VALUE PER ORDINARY FUND SHARE

	At 30 June 2008	At 31 March 2008
Net assets attributable to shareholders	£31,146,093	£34,335,785
Shares in issue	35,747,717	36,047,146
Net asset value per Ordinary Share	*87.12	**95.25 pence
Total net asset value return per share since inception	103.57 pence	111.70 pence
% return on opening net asset value of 94.5 pence per share	9.6%	18.2%

*including current year income of 0.94p

** including current year income of 0.34p

SHARE BUY-BACKS and ISSUES

During the quarter the Company bought back a total of 299,429 Ordinary Shares at a price of 85.725 pence per share.

NEW INVESTMENTS

The Company made one further investment of £307,071 into The Plastic Surgeon Holdings Limited, which provides snagging and finishing services to domestic and commercial properties.

DIVESTMENTS

There were several disposals by the Company, the most notable being as a result of a recapitalisation at HWA Limited, which realised proceeds of £2,381,880 and a profit of £2,347,328. Arising from this recapitalisation, the Company also increased its equity interest in HWA Ltd from 17% to 21%. In addition, a further receipt of £79,803 was received in respect of the Company's former investment in Secure Mail Services Limited, where further deferred consideration became payable to the Company, all of which is an additional realised gain. Finally, VSI Limited made a partial loan repayment of £157,583, at a premium of £14,326.

COMMENTS ON FALL IN NET ASSET VALUE

Net asset value per Ordinary share has fallen by 8.5% over the quarter. This decrease can be attributed mainly to a reduction in the price-earnings ratios of directly comparable quoted companies. However, the Board has also made significant reductions to the valuations of two investments where development prospects have deteriorated.

S SHARE FUND

The Company raised net funds of £11,171,285 from the issue of 11,806,467 S 1p shares.

The net asset value was 94.52 pence per S 1p share, including current year income of 0.3 of a penny per share.

This Fund also made its first qualifying investment, of £99,011 into The Plastic Surgeon Holdings Limited.

For further information, please contact:

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