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Matrix Private Equity Partners voted VCT Manager of the Year

Small buy-out house, Matrix Private Equity Partners (MPEP), was last night awarded the 'VCT Manager of the Year' title – at the unquote" British Private Equity Awards. The awards celebrate excellence and innovation in the dynamic UK private equity sector and are synonymous with the values that have made unquote" the industry's most trusted source of private equity information. Runners up for the award were Close Ventures, Foresight Group and Octopus Investments.

Mark Wignall, Chief Executive of MPEP, commented:

"I am really pleased to accept this award on behalf of the MPEP team and it is very gratifying to see our achievements being recognised by the industry. Whilst we are aware that the private equity industry is far from immune to the more challenging conditions of the moment, we feel that we are well placed at this time. MPEP is one of the largest UK players in its particular niche of managing Venture Capital Trusts to invest in small MBOs. VCTs are "evergreen" funds that offer MPEP committed semi-permanent capital. In 2007 and through 2008, MPEP has pursued new investment cautiously, completing just five new MBOs. In structuring, these five acquisitions, external leverage has been applied in just one deal, whilst MPEP has provided lower risk all money integrated finance to the four other deals.

"Our investment strategy has been not to take on too much debt. A feature of smaller private equity investments is that return is driven more from underlying profit growth and building businesses with a competitive advantage in their market sector than through leverage and financial engineering. Importantly, over the same period, nine significant realisations have been completed from

the MPEP portfolio, returning significant cash to our investors. This discipline and awareness of market cycles sees MPEP and its clients in good shape for 2009. MPEP sees an increasingly needy UK smaller companies market offering a vintage 2009 investment crop."

The fourth annual unquote" British Private Equity Awards took place at the Room by the River in London on 27 November 2008. The award categories covered the entire private equity cycle and rewarded innovation and flair by companies and individuals who have contributed tangible and measurable success within their sector of the industry over the last twelve months.

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Notes to Editors:

About Matrix

Matrix Private Equity Partners specialise in backing management buy outs and take a partnership approach to investing, working alongside ambitious, entrepreneurial management teams wishing to buy businesses, valued between £5 million and £20 million.

We currently have 40 companies within which we own equity, across a very broad range of industries and sectors, financing their expansion and acquisitions.

Recent deals include:

- **Metropress** – management buy out
- **Plastic Surgeon Fine Finishers** - £2 million management buy out
- **Monsal** - £5 million management buy out
- **Focus Pharmaceuticals** - £6 million management buy out
- **Blaze Signs** – investing £4 million acquisition finance
- **DiGiCo Europe** - £7 million management buy out

Recent realisations

- **Holloway White Allom** – 5x cash return from recap
- **Apollo** – 2.5x return on original investment
- **Gyro** – 3.2x return on original investment
- **Ministry of Cake** – 2.5x cash return from trade sale
- **BBI Holdings** – 3x return on original investment
- **Secure Mail services** – over 3x cash return from trade sale
- **Original Additions** - The deal has repaid all our original funding but maintains the same Matrix shareholding

We are one of the leading UK Venture Capital Trust (VCT) Managers, advising on over £140 million of funds, and are the private equity arm of Matrix Group.

Matrix Private Equity Partners is recognised as one of the most solid and experienced teams and active investors in this segment of the private equity market.