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“Another healthy exit for Matrix VCTs”

AWARD WINNING PASTA KING SOLD BY MATRIX PRIVATE EQUITY PARTNERS FOR £13 MILLION

- Second exit for Matrix in four months is good news for Matrix VCT investors

Matrix Private Equity Partners (MPEP), the small buyout specialist, has sold its investment in Pasta King, the provider of healthy, pasta-based quick service meal alternatives. Pasta King has been sold to a management buy-in (MBI) team funded by NBGI PE for £13 million. The £5.7 million proceeds for MPEP VCT shareholders represent a return of 3.2 times money on the original investment of £1.8 million and an IRR of 47 per cent for MPEP clients.

Each of the five Income and Growth VCTs advised by MPEP shared in the PastaKing proceeds. This is the second successful exit for MPEP in the last 4 months following the recent sale of Tottel Publishing to Bloomsbury Publishing plc for £10 million. The £3 million Tottel proceeds were shared by MPEP VCT shareholders in their Income & Growth and Matrix Income & Growth 4 VCTs; a return of 4 times the original investment of £750,000. The sale of Pasta King is the eighth successful cash exit for MPEP in the last two and a half years.

MPEP originally acquired Pasta King in 2006, following an MBO led by two of Pasta King's long standing board directors, CEO Sue Davenport and Operations Director Paul Haigney.

Pasta King is based in Newton Abbot, Devon and is a multi-award winning business. Sue Davenport was recently crowned 'Woman Chief Executive Officer of the Year' at the inaugural British Venture Capital Association's (BVCA) 'CEO of the Year Awards.' PastaKing also won six awards in 2008, including the award for 'Small to Medium Sized UK Business of the year' at the National Business Awards. The business employs 71 staff and has an annual turnover of £12 million. Since MPEP's investment, turnover has doubled and staff numbers have increased by over 50%.

Mark Wignall, chief executive of Matrix Private Equity Partners commented: "This shows that certain VCT managers are managing to invest in good companies and sell those companies for good profits whatever the point in the cycle. VCTs are poised to do more new deals by stepping in where



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banks are no longer able to tread. We believe that there will be some good buying opportunities over the next six to twelve months.”

Bob Henry, a partner at MPEP who handled the MBO and was on the board of Pasta King said “We anticipated that the Jamie Oliver effect would benefit Pasta King by encouraging caterers to look for quality, healthy eating solutions for high-volume establishments. Sue Davenport has been central in driving business development into new sectors by implementing a strategic sales and marketing plan that helped reposition the company to caterers as a credible and key player in the healthy meals market. It has been particularly rewarding to back a successful CEO and company at the heart of providing healthier meal alternatives for the nation’s children.”

Sue Davenport, managing director of Pasta King said. “We have a talented team of creative, driven individuals with a real passion for the company, the products and the market. We have enjoyed a period of considerable success which is a great credit to my team and all our employees. Matrix and its Operating Partner Ashley Levinson, who is the Chairman of Pasta King, have been supportive partners to the business and played an important role in its growth. With this firmly established base we are now in a strong position for further significant growth under NBGI PE’s ownership.”

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NOTES FOR EDITORS

PastaKing

Pasta King offers caterers an easy solution by providing them with a self-contained unit where pre-cooked pasta is instantly refreshed at the point of sale and topped with one of the company’s 40 plus different sauces. Pasta King supplies over 17 million meals per year to caterers in the education, leisure, health and business sectors and by using its simple concept, it has helped caterers to reduce lengthy queue times and champion the healthy eating offer at a time of day where convenience and time are of the essence.

Matrix Private Equity Partners LLP [‘MPEP’]

MPEP is a leading VCT Manager in the UK, advising £115 million VCT Funds under Management across five Income & Growth VCTs. Its MBO focus and success was recognised at the unquote” British Private Equity Awards 2008, where MPEP won the award for “VCT Manager of the Year”.



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MPEP is a stable, experienced team with an excellent record of realisations. Over the past two and a half years, eight separate cash realisations have been achieved by MPEP, returning £41.5m, a 3.1 X multiple of the £13.3m cost. They are Holloway White Allom (5.0x), BBI (3.3x), Ministry of Cake (2.5x), Ruskin (3.0x), Apollo Lifts (3.0x), Gyro (3.0x) and Tottel (4.0x). Since 2004, MPEP has raised £85m for its Income & Growth VCTs. MPEP LLP is jointly owned by its investment team and Matrix Group.

Matrix Group

Matrix Group is a privately owned financial services business founded in 1987 whose areas of expertise include Asset Management, Corporate Capital, Property and Specialised Finance.

Matrix Group Limited is the holding company for the following business activities:

ASSET MANAGEMENT

- Alternative Funds of Funds
- Cash Funds
- Hedge Funds
- Private Client Investment Management
- Private Equity
- VCT Services

CORPORATE CAPITAL

- Broking
- Corporate Finance
- Market Making
- Primary and Secondary Issues
- Research

PROPERTY

- Development
- Investment
- Management

SPECIALISED FINANCE

- Alternative Energies
- Private Equity Fund Placement
- Project Finance
- Structured Finance

To date, Matrix has raised around £7.5 billion for its investment products and currently has over £2.5 billion of funds under management.

Matrix's staff of around 200 is based in the West end of London, at One Vine Street, W1.