

DiGiCo in £50 million management buyout
Matrix Private Equity sells stake in DiGiCo Europe Limited

12th December 2011 - DiGiCo Europe Limited ("DiGiCo"), the fast growing technology-led business that designs market-leading digital sound-mixing consoles, today announces a £50 million management buyout funded by ISIS Equity Partners ("ISIS"). The deal allows Matrix Private Equity Partners ("Matrix") to substantially realise its investment in DiGiCo in which it invested in 2007.

Since that transaction, the business invested heavily in R&D, creating the highly acclaimed SD series of consoles, and Turnover has grown from £8 million in 2007 to £22 million in 2011.

The sale to ISIS returns over £20m to Matrix in cash and loan stock in addition to a continuing equity holding of 11%. This return equates to a 4.4x multiple of Matrix's original investment, and to date they have achieved a cash on cash IRR of 36%.

The business was founded in 1971 and operates from its head office in Chessington and a factory in Glenrothes. DiGiCo has a world-wide market with approximately 85% of turnover going to international markets with sales into 85 countries where the consoles are used by the live music market, theatres, houses of worship and corporate users. DiGiCo's export success was recognised during 2011 when it was awarded a Queen's Award for International Trade. DiGiCo consoles have been an integral part of the audio production for some of the world's leading artists such as U2, Madonna, George Michael and the recent 'Glee Live' tour throughout the US and the UK.

The new investment by ISIS will support the business to continue its penetration of new markets and further develop its long-established track record in R&D. DiGiCo has exciting plans to continue launching market-leading, technically superior products in the console market. Matrix has rolled over part of its proceeds alongside ISIS.

James Gordon, CEO, DiGiCo comments: "This is a fantastic opportunity for DiGiCo to build further on our achievements of the last five years. The company has rapidly expanded in a short space of time and the timing is perfect to add some new investment and experience to the team. ISIS's historical knowledge of our niche industry is going to be very valuable as the company continues to evolve.

Matrix's desire to remain invested within the company and team is a real mark of how well that MBO relationship has worked. The future combined strength of the two houses offers a new dynamic to our future possibilities and once the dust has settled I am sure we will take full advantage of them.

Right now, I am just looking forward to getting back to actively driving the company and doing what we do best, digital audio."

Bob Henry of Matrix comments: "DiGiCo has been an outstanding investment for Matrix with enterprise value having increased seven fold over four years. This success has been driven by a highly focussed and competitive management team, efficient investment in R&D, a commitment to quality in its Scottish factory and an uncompromising attention to customer satisfaction. This is exactly the type of business that Matrix likes to invest in and we are delighted to have a second bite of the cherry through our continuing equity holding."

Denise Emmanuel, Investment Director at ISIS commented:

"DiGiCo is a fantastic example of an entrepreneurial company and management team that is able to deliver growth even in a difficult environment. The combination of leading technology and exports makes DiGiCo a prime example of just the type of business that Private Equity should be investing in."

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About Matrix Private Equity Partners LLP ['Matrix']

Matrix is a leading VCT Manager in the UK and has a focus on MBO transactions. Matrix advises four Income & Growth VCTs with £135 million Funds under Management. Matrix is a stable, experienced team with an excellent record of realisations. In recent years, cash realisations achieved by Matrix have included Original Additions (4.2x cost), Holloway White Allom (5.2x), BBI (3.3x), Ministry of Cake (2.5x), Ruskin (3.0x), Apollo Lifts (3.0x), Gyro (3.0x), Tottel (4.0x) and Pasta King (3.2x).

Matrix Private Equity Partners LLP (MPEP) has 16 staff and is jointly owned by its management team and Matrix Group. MPEP is authorised and regulated by the Financial Services Authority.

About ISIS Equity Partners

- ISIS currently operates from offices in London, Birmingham and Manchester.
- ISIS applies a research-led, sector-focused approach to investment in unquoted companies in the UK and across Europe.
- Core areas of interest are: Business Services; Financial Services; Consumer Markets; Healthcare & Education; Technology, Media & Telecommunications; Energy & Environmental.
- ISIS typically invests in transactions where the transaction size is between £5m and £75m in value, in companies with profits in excess of £1m (typical ISIS investment between £2m and £30m).
- ISIS invests funds on behalf of both institutional (ISIS LPs) and retail (Baronsmead VCTs) clients.
- ISIS is a Limited Liability Partnership with funds under management of £658m as at 30 September 2011.