

“Magical deal for Matrix VCTs”***PUBLISHER OF HARRY POTTER BUYS TOTTEL FROM
MATRIX PRIVATE EQUITY PARTNERS FOR £10 MILLION******Exit represents 4 times money for
Matrix Private Equity Partners VCTs***

Matrix Private Equity Partners (MPEP), the small buyout specialist, has sold Tottel Publishing, a publisher of high quality books on law and tax and information services for lawyers, accountants and business professionals, to Bloomsbury Publishing plc, the publishers of the Harry Potter novels, for £10 million. The £3 million proceeds for MPEP VCT shareholders represent a return of 4 times its original investment of £750,000 for its Income & Growth and Matrix Income and Growth 4 Venture Capital Trusts (“VCTs”). This is the 7th successful cash exit for MPEP in the last two years.

MPEP originally acquired Tottel with its management in October 2004, from LexisNexis, a subsidiary of Reed Elsevier. The business, based in Haywards Heath, Sussex, employs 27 staff. Annual turnover of just over £6 million has grown around 80% since investment. The business is run by three highly successful entrepreneurs, managing director Jim Smith, publishing director, Sarah Thomas and finance director, Jill Williams. The company is chaired by Iain Livingston; one of MPEP’s operating partners.

Mike Walker, a partner at MPEP who was on the board of Tottel said: “Tottel is a simple honest growth story. Buy a good business with a real niche at a sensible entry price, back quality managers who grow revenues and profits and sell at a sensible exit price. This is the MPEP strategy that works whatever the point in the cycle.”

“Our fourfold return has been achieved despite a weak divestment market, but reflects the fact that Tottel is a high quality asset. Bloomsbury will now take the company to the next stage in its development. We wish them and the Tottel team every success”

Jim Smith, managing director of Tottel said. “Tottel has performed well with annual revenue growth targets consistently achieved. Matrix has been a supportive financial partner to the business and has played a role in its growth. With a firmly established brand we are now in a strong position to develop further under Bloomsbury’s ownership.”

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For further information please contact:

Jane Kirby – Equity Dynamics – 07825 326 441

Corinna Vere Nicoll - Equity Dynamics – 07825 326 442

NOTES FOR EDITORS

Matrix Private Equity Partners LLP ['MPEP']

MPEP is a leading VCT Manager in the UK, advising £120 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”. MPEP is a stable, experienced team with an excellent record of realisations. Over the past two years, seven separate cash realisations have been achieved by MPEP, returning £35.8m, a 3.1 X multiple of the £11.5m 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 billion for its investment products and currently has over £2 billion of funds under management.

Matrix's staff of around 180 are based in the West end of London, at One Vine Street, W1.