

# MATRIX INCOME & GROWTH 2 VCT PLC

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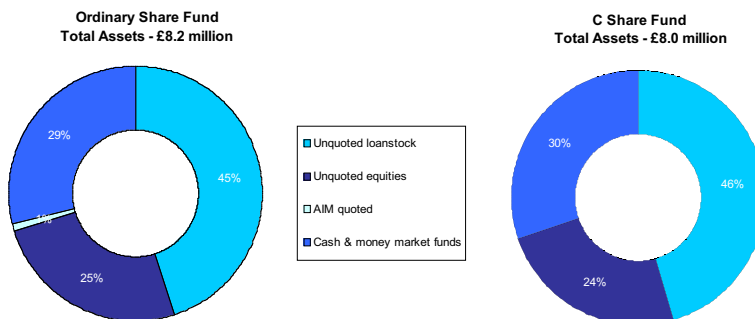
## MIG 2 VCT UPDATE MARCH 2009 O SHARE PRICE: 49.0 PENCE, C SHARE PRICE: 79.5 PENCE

Welcome to the Matrix Income & Growth 2 ("MIG 2") VCT Newsletter that provides an update of activity since the last newsletter in September 2008. Fund information is for the quarter ended 31 January 2009. The UK economy and outlook has deteriorated in the period and the Company has not been immune to its impact. Nevertheless, your Company's performance has held up relatively well.

The NAV of the O Fund at 31 January 2009 was 72.8p. At 31 July 2008, the NAV was 88.2p. On a comparable basis, total return (NAV plus cumulative dividends paid) has reduced by 13.5% from 115.0p to 99.5p. The NAV of the C Fund at 31 January 2009 was 87.3p. At 31 July 2008, the NAV was 95.8p. On a comparable basis, total return (NAV plus cumulative dividends paid) has reduced by 8.5% from 99.8p to 91.3p.

All information is prepared as at 18 March 2009.

## MIG 2 VCT SHARE FUND PORTFOLIO BREAKDOWN AS AT 31 JANUARY 2009



## LATEST NEWS

The C Fund's existing acquisition vehicle, Derringfield has invested to support the MBO of Metropress and has been re-named ATG Media Holdings. The O and C Share Funds invested £508k and £355k respectively, with the balance of the C Fund's original investment of £1 million being repaid to each Fund. ATG Media is the publisher of the Antiques Trade Gazette, the leading publication that serves the UK antiques industry. The company has launched "live auctions" that enable trade professionals and consumers alike to bid over the internet.

A new investment of £1 million has been made by the C Fund alongside an experienced Chairman, Bob Fairchild, in Vanir Consultants, a business looking to acquire businesses in the IT applications sector.

Follow-on investments have been made in two existing portfolio companies, in PXP, a supplier of timber frame housing components (O Share Fund: £96k, C Share Fund: £67k) and by the C Share Fund (£85k) in Monsal, a provider of engineering services. Both investments were made to provide additional working capital.

## VCT MANAGER OF THE YEAR 2008

Your Company's Manager, **Matrix Private Equity Partners**, was named VCT Manager of the Year at the prestigious unquote " British Private Equity Awards in November 2008. The awards rewarded companies that have contributed measurable success within their sector of the industry over the last twelve months. Managing Director, Mark Wignall said "Matrix is delighted to receive this new award for VCT Manager Of The Year. Working through several business cycles has helped us anticipate the right time to sell as well as to buy. We're really pleased to have the team's stability and experience recognised".

## CONTACT MATRIX

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## QUALIFYING INVESTMENT PORTFOLIOS AS AT 31 JANUARY 2009

Company	Business	Investment Cost £	Investment Valuation £	% of the Investment Portfolio
<b>ORDINARY SHARE FUND</b>				
Youngman	Building Products	1,000,052	1,351,407	23.2%
PastaKing	Pasta Meals	274,624	844,878	14.5%
DiGiCo Europe	Sound Mixing Consoles	588,886	642,534	11.0%
British International	Helicopter Services	832,827	640,886	11.0%
VSI	3D Graphics Software	231,020	630,948	10.8%
Other Investments (9)		4,607,287	1,712,292	29.5%
<b>TOTAL QUALIFYING PORTFOLIO</b>		<b>7,534,696</b>	<b>5,822,945</b>	<b>100.0%</b>

### C SHARE FUND

Barnfield	Food Sector Acquisitions	1,000,000	1,000,000	17.9%
Vanir Consultants	IT Applications Acquisitions	1,000,000	1,000,000	17.9%
Focus Pharma	Pharmaceuticals	660,238	648,265	11.6%
Monsal	Environmental Technology	854,450	640,838	11.5%
PastaKing	Pasta Meals	191,720	589,826	10.6%
Other Investments (8)		2,618,719	1,693,908	30.5%
<b>TOTAL QUALIFYING PORTFOLIO</b>		<b>6,325,127</b>	<b>5,572,837</b>	<b>100.0%</b>

## MANAGER'S COMMENTARY

The O Share Fund has seen valuations subject to inevitable pressure from the significant falls in all relevant stock market valuations, but overall the investment portfolio has demonstrated resilience in a challenging period.

The C Share Fund's value has been protected by the strategy of preserving the Company's cash resources rather than investing heavily into a market of falling asset values.

The C Share Fund is raising additional funds for new investment in the expectation of attractive buying opportunities into good companies at lower valuations.