

MATRIX INCOME & GROWTH 2 VCT PLC

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MIG 2 VCT UPDATE MARCH 2008 O SHARE PRICE: 79.0 PENCE, C SHARE PRICE: 100.0 PENCE

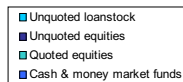
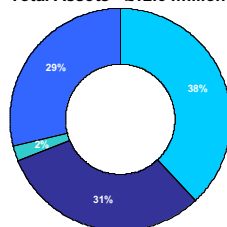
Welcome to the fifth Matrix Income & Growth 2 ("MIG 2") VCT Newsletter that provides an update of activity since the last newsletter in September 2007. Fund data is for the nine month period ended 31 January 2008, compared with the quarter ended 31 July 2007.

The period has seen extreme volatility in global markets and we cannot assume MIG 2's fortunes to be unaffected by this wider context. However, the investment portfolio is in good health, asset value has held up well and your Company is well placed. This issue includes details of two new investments and two highly profitable realisations.

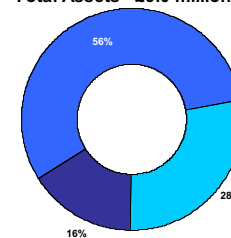
The NAV of the O Fund at 31 January 2008 was 106.4p. This compares with 108.8p at 31 July 2007, but a 6p dividend has been paid in the period. On a comparable basis, total return (NAV plus cumulative dividends paid) has increased by almost 3% from 123.6p to 127.2p. The NAV of the C Fund is 96.3p. Accounting for the 1.5p dividend paid in the period, total return has decreased just over 1% from 99.0p to 97.8p. All data is prepared as at 12 March.

MIG 2 VCT SHARE FUND PORTFOLIO BREAKDOWN

Ordinary Share Fund
Total Assets - £12.6 million



C Share Fund
Total Assets - £9.0 million



MIG 2 VCT'S RECENT INVESTMENTS

Focus Pharma specialises in the licensing and marketing of specialist prescription generic pharmaceuticals. As part of a MBO, MIG 2 VCT invested £660k alongside other Matrix-advised VCTs and has acquired a 2.7% stake in the Company.



The MBO team is led by Mark Cresswell, Managing Director and Ray Maginley, Medical and Regulatory Director. The business, formed in 2003, operates from Burton-upon-Trent. It employs 15 people and has annual revenue of £10 million.



Monsal is a specialist environmental technology company providing advanced solutions to the water and waste sectors. It is the UK's market leader in the provision of sophisticated Anaerobic Digestion (AD) technology to the water utilities market. As part of an MBO, MIG 2 invested £769k alongside other Matrix-advised VCTs and has acquired a 10.3% stake in the Company.

The MBO team is led by the Managing Director, Aidan Cumiskey. The business was formed in 1996 and is based in Mansfield. It employs 25 people and has annual revenue of £5 million.

CONTACT MATRIX

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MATRIX

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QUALIFYING INVESTMENT PORTFOLIOS AS AT 31 JANUARY 2008

Company	Business	Investment Cost £	Investment Valuation £	% of the Investment Portfolio
ORDINARY SHARE FUND				
Youngman	Building Products	1,000,052	2,879,603	32.3%
Blaze	Sign Manufacture & Maintenance	791,608	1,136,072	12.8%
British International	Helicopter Services	832,827	836,395	9.4%
Campden	Publishing & Conferences	975,000	726,909	8.2%
PastaKing	Pasta Meals	274,624	726,268	8.1%
Other Investments (9)		3,328,242	2,604,082	29.2%
TOTAL QUALIFYING PORTFOLIO		7,202,353	8,909,329	100.0%
C SHARE FUND				
Monsal	Environmental Technology	769,000	769,000	19.6%
Blaze	Sign Manufacture & Maintenance	606,890	666,686	16.9%
Focus	Pharmaceuticals	660,238	660,238	16.8%
PastaKing	Pasta Meals	191,720	507,022	12.9%
Digico	Sound Mixing Consoles	411,114	411,114	10.5%
Other Investments (4)		1,062,365	917,458	23.3%
TOTAL QUALIFYING PORTFOLIO		3,701,327	3,931,518	100.0%

MANAGER'S COMMENTARY

The highlight in the period was two highly profitable realisations. Gyro, the brand communications agency was sold to a US private equity firm. The O Share Fund received cash proceeds of £2.39 million compared with an original investment cost of £750k, an excellent outcome. BBI, the manufacturer of diagnostic tests was sold to US-based Inverness Medical. The O Share Fund received cash proceeds of £262k compared with cost of £119k and the C Share Fund received £183k proceeds, compared with cost of £83k. Portfolio performance is generally pleasing, with a number of companies continuing to exhibit strong trading, not least Youngman, Blaze and PastaKing. More disappointingly, trading at Camden and Racoon has been less encouraging. Overall though, we remain confident that the portfolio is in good shape and capable of producing further growth and realisation opportunities.