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Lyceum Capital sells Asquith Nurseries to Dawnay, Day and Swordfish Investments for £95 million

Lyceum Capital, the private equity firm that invests in mid market service businesses, today announced the sale of Asquith Nurseries to Dawnay, Day Principal Investments and Swordfish Investments LLP for £95 million.

Under Lyceum's ownership, Asquith Nurseries has become one of the UK's leading children's day nurseries operators, providing places for some 10,000 children across 113 nurseries and crèches nationwide and increasing the number of employees by over 50% to some 2,500. Asquith has invested more than £12 million in capital expenditure to develop and improve the group's facilities and resources since the acquisition by Lyceum. Combined with five add-on acquisitions completed during the same period, this investment has driven an increase in EBITDA of over 200% since 2001. The senior management team has been augmented by Lyceum with the recruitment of CEO Russell Ford, former Managing Director of the Iceland Group, and COO Andrew Morris, former MD (Europe) of Calumet, and others.

Lyceum Capital also built sister company Asquith Schools into the largest independent owner and operator of day preparatory schools in the UK by the time it sold the business to Cognita in November 2004.

Commenting on Lyceum's successful exit from Asquith, Lyceum Managing Partner, Jeremy Hand, said: "We have worked with the Asquith team to build a major business, focused on providing outstanding care and education to children, by investing significantly in Asquith's staff, its facilities and resources. The acquisition by Dawnay, Day and Swordfish Investments is an endorsement of the company's success and we wish Russell Ford and all the Asquith staff well in the next stage of the company's growth."

Commenting on the acquisition, Guy Naggar, Chairman of the Dawnay, Day Group said: "We have been following the education sector and day nurseries in particular for a long time because of their strong cash generation and high-level of asset backing, and we early on identified Asquith as the best platform to invest in on account of its excellent locations and professional leadership. We are delighted to be backing the Asquith management team in the secondary buyout of their business."

Amit Bhatia, Managing Partner of Swordfish Investments, added "We are excited to be involved with Dawnay Day in the acquisition of Asquith. We believe that the demographic trends that underlie the business are robust and will continue so over the coming years. We further aim to bolster the Asquith platform through both organic growth and selective acquisitions so as to provide the care and service needed for the development of young children across the UK."

The Lyceum team on this transaction were Jeremy Hand and Andrew Aylwin. Advisers to Lyceum were Rothschild (corporate finance), Clifford Chance (legal), Stephens & Bolton (legal), PwC (accounting and commercial due diligence), Christie + Co (property) and Aon (insurance).

Advisors to Dawnay, Day Principal Investments and Swordfish Investments were Deloitte (corporate finance), Olswang (legal), Stanhope Capital (merchant banking/advisory) and Lawrence Graham (legal) on behalf of Swordfish. Debt funding was provided by Kaupthing, who was advised by Sidley Austin (legal).

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NOTES TO EDITORS

About Lyceum Capital

Lyceum Capital concentrates on building value in mid-market services businesses in partnership with its management teams through investment in profits growth, market consolidation and strategic innovation

Lyceum Capital Fund I's investments include Southern Cross, the elderly care homes group sold to Blackstone for £167 million in 2004 and listed in 2006; Asquith Schools, acquired by Cognita in 2004; Clinovia, the leading independent home healthcare company, recently sold to BUPA for £88 million; National Britannia Group and Coperion, the global market leader in application technology and services for the plastics, chemicals and minerals industries, which was sold last month to Deutsche Beteiligungs AG for €300 million. In 2006, Lyceum acquired SPI, the building services company, that provides maintenance and support services for the social housing sector.

Since 2000, Lyceum has acquired 41 companies including nine platforms in healthcare, education, outsourcing, social housing services, technology and industrial services. Including Asquith and Coperion, Lyceum Capital Fund I has now returned £305 million to fund investors and co-investors (some 165% of invested capital) from five of the nine platform investments made. Businesses backed by Lyceum have, since 2000, grown their total number of employees from 12,000 to over 27,000.

For further information, please visit www.lyceumcapital.co.uk

About Dawnay, Day

The Dawnay, Day Group is a diversified financial and property group whose activities include financial and property services, property investment and private equity. It has combined gross assets in excess of £3 billion and net assets in excess of £750 million. Currently the Group employs over 1,000 people and over 10,000 people through its investee companies.

Dawnay, Day Principal Investments is the private equity arm of the Dawnay, Day Group. It invests in mid-market companies in the UK and the rest of Europe, with a particular focus on asset-backed businesses. Its portfolio currently includes Hertie, the 74-site German department store chain acquired from KarstadtQuelle in 2005, and Austin Reed the high-street retailer which it acquired in January 2007 and which has 280 stores operating under the Austin Reed and CC brands.

For further information, please visit www.dawnayday.com

About Swordfish Investments

Swordfish Investments LLP is a private investment company focused on public and private equity investments, capital management activities and real estate globally. Swordfish has consummated investments in real estate, hospitality and entertainment, telecom and funds management.