
From: Richard Joslin <[REDACTED]>
Sent: Thursday, January 22, 2015 7:12 PM
To: Eileen Alexanderson
Cc: Bradley J. Wechsler ([REDACTED]); jeffrey E.
Subject: RE: KUE

Re BFP LP investment in Knowledge Universe

Update- Andy Benson controller.

CIS and ECE sales: sale proceeds are held up due to foreign/ Singapore tax issues – deadline for fund distribution of proceeds is June 2015 with likely distribution between March 15 and April 15, 2015. There will likely be haircut for taxes and dollar amount of distribution is not available.

From: Eileen Alexanderson
Sent: Monday, November 10, 2014 5:12 PM
To: jeffrey E.; Richard Joslin; Melanie Spinella
Subject: KUE

Teleconference of KUE partner meeting finished a little while ago. The attached, which I sent last week, is a good summary of the situation.

From today's meeting:

-deal in hand for the sale of the Intl operation in Singapore for net proceeds of \$108.2mil was announced at the meeting. Also KUE has a signed term sheet, with a exclusivity period only until Dec 8th, for the sale of the Canadian Intl School which would net \$248mil. Combined \$357mil net proceeds after debt repayment is a bit below guidance I had been given of \$400mil and a bit will be held back in an escrow account. Guidance was for a late Dec or Jan distribution of proceeds which would be roughly \$5mil to us.

-Propco – mindset toward monetizing but sounded like there is no firm shape for a deal yet i.e. whether they will sell to a REIT or form a new RE company and lever. Property portfolio is a bit of flux reflecting disposition of centers closed by Opco over the past several years. KUE would like LPs to have option of two ways out – cash or equity in survivor.

As I indicated in the note, for extension to Oct 2015, Intl and Propco must be monetized by Oct 2015.

-Opco – core early childhood care centers are growing again – EBITDA est for 2014 is \$118mil, up from \$89mil in 2013. Plan shows goal of \$142mil in 2015 and \$162mil in 2016. Co suggested valuation at 10x EV/EBITDA seems appropriate given fact that public comp, Bright Horizons, trades at 15x EV/EBITDA but is supported by 14% ebitda margin compared to Opco at 9.3% currently and future forecast of 10%.

Eileen Alexander=on

Elysium Management<=:p>

445 Park Avenue

Suite 1401

New York NY 10022

