
Contact: Morgan Stanley
Marie Ali
212 762 6884

Learning Care Group, Inc.
Amy Popp
248 697 9140

Morgan Stanley

For Immediate Release

Morgan Stanley Private Equity Completes Acquisition of Majority Stake in Learning Care Group, Inc. as Part of Joint Venture with A.B.C. Learning Centres Limited

NEW YORK, June 25, 2008 – Morgan Stanley Private Equity today announced that it has completed its previously signed agreement to acquire a 60 percent stake in Learning Care Group, the U.S. subsidiary of A.B.C. Learning Centres Limited (“ABC”). The transaction, announced on April 22, values 100 percent of Learning Care Group at \$700 million.

Learning Care Group, a leader in the early education and childcare industry, represents the third U.S. investment for Morgan Stanley Private Equity, with other deals including the acquisition of Tops Markets and an investment in McKechnie Aerospace.

Michael Ryder, Executive Director of Morgan Stanley Private Equity, said, “We are pleased to complete this transaction in a timely manner, and we intend to work closely with the Learning Care Group management team and its employees to continue the company’s strong position in the child education and family solutions industry.”

William Davis, CEO of Learning Care Group, said, “Our goal is to offer the highest quality care and programs to families across the country, and we are pleased that Morgan Stanley’s commitment to our business will continue to support those efforts.”

About Morgan Stanley Private Equity

Morgan Stanley Private Equity, part of Morgan Stanley Investment Management’s Merchant Banking Division, makes private equity and equity-related investments on a global basis. Morgan Stanley Private Equity utilizes Morgan Stanley’s vast resources, including the Firm’s global

franchise and relationships with leading corporate management teams and financial sponsors, to source attractive opportunities for its investment funds. Morgan Stanley's roots in private equity investing date back to 1985 with the Morgan Stanley Capital Partners private equity funds. To date, Morgan Stanley Private Equity and its predecessor funds have invested nearly \$6.5 billion of equity across a broad spectrum of industries.

About Morgan Stanley

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 33 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.

About Learning Care Group

Headquartered in Novi, Mich., Learning Care Group, Inc. provides early education and care services to children between the ages of six weeks and 12 years under its umbrella of brands: The Children's Courtyard, Childtime Learning Centers, La Petite Academy, Montessori Unlimited and Tutor Time Child Care / Learning Centers.

Between these five brands, Learning Care Group has approximately 1,150 schools (corporate and franchise) with a system-wide capacity to serve close to 167,000 children in the U.S. and internationally. For more information on the Learning Care Group, Inc., please visit www.learningcaregroup.com.

About A.B.C. Learning Centres Limited

For more information, visit the A.B.C. website at www.childcare.com.au.

###