



## Bright Horizons Family Solutions Reports Fourth Quarter Financial Results; Net Income and Earnings Per Share Climb 30%

February 13, 2003

BOSTON, Feb 13, 2003 (BUSINESS WIRE) -- Bright Horizons Family Solutions, Inc. (Nasdaq: BFAM) today announced financial results for the fourth quarter and full year ended December 31, 2002.

Earnings per diluted share of \$0.30 in the quarter ended December 31, 2002 increased 30% from \$0.23 per diluted share for the same 2001 quarter. Revenues for the current quarter increased 18% to \$108 million from \$91 million for the quarter ended December 31, 2001. Net income for the fourth quarter ended December 31, 2002 increased 30% to \$3.9 million from \$3.0 million in the fourth quarter of 2001.

Earnings per diluted share of \$1.18 for the year ended December 31, 2002 increased 31% from \$0.90 per diluted share in 2001. Revenues for the full 2002 year increased 18% to \$408 million from \$346 million in 2001. Net income in 2002 increased 33% to \$15.3 million from \$11.5 million in the prior year. In conjunction with the January 1, 2002 adoption of Statement of Financial Accounting Standard No. 142, which resulted in the discontinuance of the amortization of goodwill, earnings per share increased by approximately \$0.02 and \$0.08 for the quarter and year ended December 31, 2002, respectively, compared to the same 2001 periods.

"We are very pleased with our results for both the quarter and the year," commented David Lissy, Chief Executive Officer. "Our ability to produce strong and consistent operating results while continuing to improve the quality of the services we offer to children and families underscores the strength of our business model. Through these challenging economic times we have continued to invest in our people and in systems necessary to support our growth and improve the quality of services we offer to children and families."

"This past year we added 75 net new centers to our network, including five during the fourth quarter, and we now manage 465 centers in the U.S., Canada, the UK, and Ireland. With the growth in our UK operations this past year, we now lead the employer-supported field in the UK, as we long have in the U.S. We are proud to partner with more than 400 clients to provide a variety of services including full service care, back up child care, elementary schools, school vacation and summer camp programs, strategic consulting, and access to a worldwide network of quality centers through our Network Access Program. In these times of economic uncertainty we have been pleased to see interest from new employers as well as continued expansion by existing clients who understand and value the impact that quality child care programs have on their workforce."

"Bright Horizons was recently named one of Fortune magazine's '100 Best Companies to Work for' for the third year in a row," concluded Lissy. "By cultivating a supportive culture and a strong mission to make a difference, we aim to be the employer of choice for those who share our passion for quality early education and supportive family friendly work environments."

Bright Horizons Family Solutions will be hosting an investor conference call today at 4:30 pm EST. The public is invited to listen to the conference call by dialing 973-582-2706. Replays of the entire call will be available through Friday, February 21, 2003 at 973-341-3080, PIN# 3701974. Visit the Bright Horizons Family Solutions Web site at [www.brighthorizons.com](http://www.brighthorizons.com).

Bright Horizons Family Solutions is the world's leading provider of employer-sponsored child care, early education and work/life consulting services, managing more than 460 child care and early education centers in the United States, Europe, Canada and the Pacific Rim. Bright Horizons serves more than 400 clients, including 84 FORTUNE 500 companies and 54 of the "100 Best Companies for Working Mothers," as recognized by Working Mother magazine. Bright Horizons is one of FORTUNE magazine's "100 Best Companies to Work for in America."

This press release contains forward-looking statements, which involve a number of risks and uncertainties. Bright Horizons Family Solutions' actual results may vary significantly from the results anticipated in these forward-looking statements as a result of certain factors. These include the ability of the Company to 1) execute contracts relating to new commitments, 2) to enroll families in new as well as existing centers, and 3) to open new centers for clients who control construction, and the impact of government tax and fiscal policies on employers considering work-site child care, as well as other factors that are discussed in detail in the Company's filings with the Securities and Exchange Commission, including the "Risk Factors" section in the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

Bright Horizons Family Solutions  
Selected Financial Information  
(Unaudited)  
(in thousands except per share data)

	Three months ended			
	12/31/02		12/31/01	
Revenues	\$107,717	100.0%	\$91,197	100.0%
Cost of services	91,877	85.3%	77,787	85.3%
Gross profit	15,840	14.7%	13,410	14.7%

Selling, general and administrative expenses	8,952	8.3%	7,624	8.4%
Amortization	92	0.1%	558	0.6%
Income from operations	6,796	6.3%	5,228	5.7%
Net interest (expense)	(12)	0.0%	(13)	0.0%
Income before income taxes	6,784	6.3%	5,215	5.7%
Income tax provision	(2,891)	-2.7%	(2,228)	-2.4%
Net income	\$3,893	3.6%	\$2,987	3.3%
Per share data:				
Net income per share - basic	\$0.31		\$0.24	
Weighted average number of common shares outstanding	12,429		12,262	
Net income per share - diluted	\$0.30		\$0.23	
Weighted average number of common and common equivalent shares	13,002		12,811	

Bright Horizons Family Solutions  
Selected Financial Information  
(Unaudited)

(in thousands except per share data)

	Twelve months ended			
	12/31/02		12/31/01	
Revenues	\$407,532	100.0%	\$345,862	100.0%
Cost of services	347,640	85.3%	295,027	85.3%
Gross profit	59,892	14.7%	50,835	14.7%
Selling, general and administrative expenses	33,266	8.2%	28,601	8.3%
Amortization	377	0.1%	2,213	0.6%
Income from operations	26,249	6.4%	20,021	5.8%
Net interest income (expense)	24	0.0%	(85)	0.0%
Income before income taxes	26,273	6.4%	19,936	5.8%
Income tax provision	(10,954)	-2.6%	(8,409)	-2.5%
Net income	\$15,319	3.8%	\$11,527	3.3%
Per share data:				
Net income per share - basic	\$1.24		\$0.95	
Weighted average number of common shares outstanding	12,383		12,189	
Net income per share - diluted	\$1.18		\$0.90	
Weighted average number of common and common equivalent shares	13,025		12,798	

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