



Bright Horizons Family Solutions Reports Second Quarter Financial Results

July 18, 2002

BOSTON, Jul 18, 2002 (BUSINESS WIRE) --

Net Income Increases 34% Completes Kinderquest Ltd. Acquisition in the
United Kingdom

Bright Horizons Family Solutions, Inc. (Nasdaq: BFAM) today announced financial results for the quarter and six months ended June 30, 2002.

Earnings per diluted share of \$0.30 in the quarter ended June 30, 2002 increased 30% from \$0.23 per diluted share for the quarter ended June 30, 2001. Revenues for the current period increased 17% to \$100.0 million from \$85.8 million for the quarter ended June 30, 2001. Net income for the second quarter ended June 30, 2002 increased 34% to \$4.0 million from \$3.0 million in the second quarter of 2001.

Earnings per diluted share of \$0.59 for the six months ended June 30, 2002 increased 31% from \$0.45 per diluted share for the six months ended June 30, 2001. Revenues for the first six months of 2002 increased 16% to \$194.4 million from \$167.5 million for the same period in 2001. Net income for the six months ended June 30, 2002 increased 33% to \$7.7 million from \$5.8 million in 2001. 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 \$0.04 for the quarter and six months ended June 30, 2002, respectively, compared to the same 2001 periods.

"I'm proud of our strong financial performance this quarter, which we have continued to achieve in concert with our ability to continuously improve the level of quality of the services we offer to clients and working parents," said David Lissy, Chief Executive Officer.

"We added 61 new centers to our network this quarter," commented Lissy. "In addition to the 52 centers we acquired in the United Kingdom, our center openings this past quarter included new centers for Starbucks Coffee Company, Centene Corp., our fourth and fifth centers for the UAW/Ford, and our fifteenth dedicated back-up center for JP Morgan Chase. We also continued our growth in Ireland with the opening of a center in partnership with the European Union in Dublin." The Company also closed three centers in the second quarter and ended the quarter with the capacity to serve approximately 52,500 children, a net increase of 3,250 during the second quarter.

As previously announced, the Company closed on its acquisition of Kinderquest in the U.K. on June 17 of this year. "The addition of Kinderquest marks an important step in our expansion into the U.K. and Europe," added Lissy. "We now operate in the U.K. much as we do here in the U.S., as the market leader providing high quality employer-sponsored child care and other work/life solutions to clients and their working families. We share two clients with Kinderquest - Toyota and Merck - and have added British Petroleum, the Inland Revenue and Shell Oil, among others, to our client list. We are quite pleased to have a strong, locally focused management team in place in Europe to build on our leadership position. Bright Horizons now manages 456 centers and serves more than 375 clients worldwide. Now more than ever we are uniquely positioned to offer clients and working families high quality, customized services across a growing global platform."

Bright Horizons Family Solutions will be hosting an investor conference call today at 4:30 pm EDT. The public is invited to listen to the conference call by dialing 973-633-6740. Replays of the entire call will be available through Friday, July 26, 2002 at 973-341-3080, PIN# 3332698. Visit the Bright Horizons Family Solutions Web site at 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 450 child care and early education centers in the United States, Europe, Canada and the Pacific Rim. Bright Horizons serves more than 375 clients, including 83 FORTUNE 500 companies and 48 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 including 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			
	6/30/02		6/30/01	
Revenues	\$99,954	100.0%	\$85,756	100.0%
Cost of services	84,997	85.0%	72,976	85.1%
Gross profit	14,957	15.0%	12,780	14.9%
Selling, general and administrative expenses	8,139	8.1%	7,149	8.3%
Amortization	74	0.1%	531	0.6%
Income from operations	6,744	6.8%	5,100	6.0%
Net interest income	12	0.0%	9	0.0%
Income before income taxes	6,756	6.8%	5,109	6.0%
Income tax provision	(2,797)	-2.8%	(2,145)	-2.5%
Net income	\$ 3,959	4.0%	\$ 2,964	3.5%
Per share data:				
Net income per share - basic	\$ 0.32		\$ 0.24	
Weighted average number of common shares outstanding	12,384		12,177	
Net income per share - diluted	\$ 0.30		\$ 0.23	
Weighted average number of common and common equivalent shares	13,091		12,826	

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	Six months ended			
	6/30/02		6/30/01	
Revenues	\$194,430	100.0%	\$167,492	100.0%
Cost of services	165,304	85.0%	142,494	85.1%
Gross profit	29,126	15.0%	24,998	14.9%
Selling, general and administrative expenses	15,787	8.1%	13,915	8.3%
Amortization	183	0.1%	1,113	0.7%
Income from operations	13,156	6.8%	9,970	5.9%
Net interest income(expense)	35	0.0%	(65)	0.0%
Income before income taxes	13,191	6.8%	9,905	5.9%
Income tax provision	(5,514)	-2.9%	(4,152)	-2.5%
Net income	\$ 7,677	3.9%	\$ 5,753	3.4%
Per share data:				
Net income per share - basic	\$ 0.62		\$ 0.47	
Weighted average number of common shares outstanding	12,341		12,130	
Net income per share - diluted	\$ 0.59		\$ 0.45	
Weighted average number of common and common equivalent shares	13,035		12,783	

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