



Bright Horizons Family Solutions Reports Fourth Quarter and FY 2001 Financial Results

February 13, 2002

Revenue up 19% and net income up 20% in 2001 Named one of Fortune magazine's "100 Best Companies to Work For in America"

BOSTON, Feb 13, 2002 (BW HealthWire) -- Bright Horizons Family Solutions, Inc. (Nasdaq: BFAM) today announced financial results for the quarter and year ended December 31, 2001.

Revenues for the quarter ended December 31, 2001 increased 17% to \$91.2 million compared to \$78.0 million for the quarter ended December 31, 2000. Net income of \$3.0 million, or \$0.23 per share, increased 40% from \$2.1 million, or \$0.17 per share, in the fourth quarter of 2000.

Revenues of \$345.9 million for the year ending December 31, 2001 increased 19% from \$291.1 million in 2000. Net income for year ending December 31, 2001 increased 25% to \$11.5 million, or \$0.90 per share, from \$9.2 million, or \$0.74 per share, for the same 2000 period.

In the fourth quarter of 2000, the Company recorded a nonrecurring charge of \$412,000, net of tax, to fully write down certain minority equity investments which were not recoverable. Excluding this charge, net income for the fourth quarter of 2000 was \$2.6 million, or \$0.20 per fully diluted share, and for the year 2000 was \$9.6 million, or \$0.77 per fully diluted share.

"We are very pleased with our results for both the quarter and the year," commented Roger Brown, Executive Chairman. "In 2001, we achieved 19% revenue growth and 20% bottom line growth in a tough economic climate, while improving overall parent satisfaction to 98.3% from 98.1% in the prior year. I am very proud of the way our team proactively managed the business through challenging economic times."

"The diversity of our client base, the wide range of solutions that we offer, and continued strong demand for child care have been key factors in maintaining our growth this past year," added David Lissy, Chief Executive Officer. "We added a total of 45 net new centers this year, including six this quarter, bringing our total number of centers to 390 worldwide. This past quarter marked our expansion into Canada through our first center in partnership with IBM and Seibel Systems. In addition, we opened our first new center in London, which is also our first dedicated back-up center outside the United States. We are proud to serve our more than 325 clients in four countries - a scope of operations unmatched in the employer-sponsored child care market."

"Bright Horizons was recently named one of Fortune magazine's '100 Best Companies to Work for in America' for the second year in a row," continued Lissy. "We are very pleased to be in the company of such great organizations, including 31 of our own clients. In addition, we were extremely honored to be named as the top company for women in the workforce. This is an important recognition of our organization as a caring team, full of purpose and promise, that makes a difference every day in the lives of the families we serve. As we strive to help our clients become employers of choice in their respective fields, we understand that we too must strive to be the employer of choice in the child care and early education field."

Bright Horizons Family Solutions will host an investor conference call today at 4:30 pm EST. The public is invited to listen to the call by dialing 973-633-6730 and asking for the Bright Horizons conference call. Replays will be available through Friday, February 22, 2002 at 973-341-3080, PIN# 3068607. 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 390 child care and early education centers in the United States, Europe, Canada and the Pacific Rim. Bright Horizons serves more than 325 clients, including 82 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, including the ability of the Company to execute contracts relating to new commitments, to enroll families in new as well as existing centers, 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, 2000.

Bright Horizons Family Solutions
Selected Financial Information
(Unaudited)

(in thousands except per share data)
Three months ended

	12/31/01	100.0%	12/31/00	100.0%
Revenues	\$ 91,197		\$ 77,951	

Cost of services	77,787	85.3%	66,370	85.1%
Gross profit	13,410	14.7%	11,581	14.9%
Selling, general and administrative expenses	7,624	8.4%	6,554	8.4%
Amortization	558	0.6%	535	0.7%
Income from operations	5,228	5.7%	4,492	5.8%
Other charges (1)	--	0.0%	(704)	-0.9%
Net interest (expense) income	(13)	0.0%	(132)	-0.2%
Income before income taxes	5,215	5.7%	3,656	4.7%
Income tax provision	(2,228)	-2.4%	(1,515)	-2.0%
Net income	\$ 2,987	3.3%	\$ 2,141	2.7%
Per share data:				
Net income per share - basic	\$ 0.24		\$ 0.18	
Weighted average number of common shares outstanding	12,262		12,009	
Net income per share - diluted	\$ 0.23		\$ 0.17	
Weighted average number of common and common equivalent shares	12,811		12,751	
Pro forma information:				
Pro forma net income excluding asset impairment charge	\$ 2,987		\$ 2,553	
Pro forma net income per share - diluted	\$ 0.23		\$ 0.20	
Weighted average number of common and common equivalent shares	12,811		12,751	

(1) In Q4 2000 the company recognized an impairment in the value of certain minority stake equity investments.

Bright Horizons Family Solutions
Selected Financial Information
(Unaudited)

(in thousands except per share data)

	Twelve months ended			
	12/31/01		12/31/00	
Revenues	\$ 345,862	100.0%	\$291,143	100.0%
Cost of services	295,027	85.3%	248,405	85.3%
Gross profit	50,835	14.7%	42,738	14.7%
Selling, general and administrative expenses	28,601	8.3%	24,388	8.4%
Amortization	2,213	0.6%	1,904	0.7%
Income from operations	20,021	5.8%	16,446	5.6%
Other charges (1)	\$ --	0.0%	(704)	-0.2%
Net interest (expense) income	(85)	0.0%	30	0.0%
Income before income taxes	19,936	5.8%	15,772	5.4%
Income tax provision	(8,409)	-2.5%	(6,560)	-2.2%
Net income	\$ 11,527	3.3%	\$ 9,212	3.2%
Per share data:				
Net income per share				

- basic	\$ 0.95	\$ 0.77
Weighted average number of common shares outstanding	12,189	11,895
Net income per share - diluted	\$ 0.90	\$ 0.74
Weighted average number of common and common equivalent shares	12,798	12,522
Pro forma information:		
Pro forma net income excluding asset impairment charge	\$ 11,527	\$ 9,624
Pro forma net income per share - diluted	\$ 0.90	\$ 0.77
Weighted average number of common and common equivalent shares	12,798	12,522

(1) In Q4 2000 the company recognized an impairment in the value of certain minority stake equity investments

CONTACT: Bright Horizons Family Solutions, Inc.
 Elizabeth Boland, 617-673-8000
 or
 Bright Horizons Family Solutions, Inc.
 Ilene Hoffer, 617-673-8000