



## Bright Horizons Family Solutions Reports Second Quarter Financial Results

July 19, 2001

BOSTON, Jul 19, 2001 (BUSINESS WIRE) --

### ***Revenue and Net Income Increase 19% for the Quarter 2001 Survey Highlights Record Parent Satisfaction Levels***

Bright Horizons Family Solutions, Inc. (Nasdaq: BFAM) today announced financial results for the quarter and six months ended June 30, 2001.

Revenues for the quarter ended June 30, 2001 increased 19% to \$85.8 million from \$72.1 million for the quarter ended June 30, 2000. Net income for the current quarter increased 19% to \$3.0 million from \$2.5 million in the second quarter of 2000. Earnings per diluted share of \$0.23 in the current quarter increased 15% from \$0.20 per diluted share for the quarter ended June 30, 2000.

Revenues for the first six months of 2001 increased 21% to \$167.5 million from \$138.7 million for the same period in 2000. Net income for the six months ended June 30, 2001 increased 20% to \$5.8 million from \$4.8 million in 2000. Earnings per diluted share of \$0.45 for the six months ended June 30, 2001 increased 15% from \$0.39 per diluted share for the same 2000 period.

"We are pleased with our continued strong performance this quarter, driven by the steady addition of new child development centers, including seventeen this quarter alone, as well as excellent execution in our base of existing centers," commented Roger H. Brown, Chief Executive Officer.

"In addition to new centers for Siebel Systems, Chick-fil-A, Cummins Inc., Abbott Laboratories and AGP," Brown added, "we opened our eleventh and twelfth back-up centers for J.P. Morgan Chase. Our June acquisition of WorkPlace Connections, an excellent, experienced provider of back-up and full service work-site child care in the Boston area, added nine centers and twenty-five clients. We also closed three centers during the current quarter, bringing net additions for the quarter to fourteen."

"We recently received the results of our annual parent satisfaction survey," Brown continued, "and the results are very strong. Our parent satisfaction rating increased to 98.3% from 98.1% last year, while our results in the UK and back-up child care divisions each topped 99%. With 45,000 children and families using our centers daily, it is extremely gratifying to know how much the quality of our programs and dedication of our teachers is valued. As always, we will continue to focus a great deal of attention on the areas of improvement suggested by the parents whose children use our programs."

"The growing importance of employer-sponsored child care and early education was recently reinforced by the inclusion of a tax credit in the omnibus tax package signed into law in June of this year," observed Brown. "The measure encourages employers to support families by providing a 25 percent tax credit for costs associated with providing employer-sponsored child care. We believe that this new incentive will encourage more companies to offer high quality, worksite child care to their families and communities."

Bright Horizons Family Solutions will host an investor conference call today at 4:30 pm EDT. The public is invited to listen to the call by dialing 973-321-2000. Replays will be available through Friday, July 27, 2001 at 973-341-3080, PIN# 2709607. 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 366 child care and early education centers in the United States, Europe and the Pacific Rim. Bright Horizons serves more than 300 clients, including 81 FORTUNE 500 companies and 44 of the "100 Best Companies for Working Mothers," as recognized by Working Mother magazine. Bright Horizons was recently named one of the "100 Best Companies to Work For in America" by FORTUNE magazine.

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

	6/30/01		6/30/00	
Revenues	\$ 85,756	100.0%	\$ 72,066	100.0%
Cost of services	72,976	85.1%	61,306	85.1%
Gross profit	12,780	14.9%	10,760	14.9%
Selling, general and administrative expenses	7,149	8.3%	6,046	8.4%
Amortization	531	0.6%	480	0.6%
Income from operations	5,100	6.0%	4,234	5.9%
Net interest income	9	0.0%	49	0.1%
Income before income taxes	5,109	6.0%	4,283	6.0%
Income tax provision	(2,145)	-2.5%	(1,784)	-2.5%
Net income	\$ 2,964	3.5%	\$ 2,499	3.5%
Per share data:				
Net income per share - basic	\$ 0.24		\$ 0.21	
Weighted average number of common shares outstanding	12,177		11,836	
Net income per share - diluted	\$ 0.23		\$ 0.20	
Weighted average number of common and common equivalent shares	12,826		12,345	

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	Six months ended			
	6/30/01		6/30/00	
Revenues	\$ 167,492	100.0%	\$ 138,688	100.0%
Cost of services	142,494	85.1%	118,146	85.2%
Gross profit	24,998	14.9%	20,542	14.8%
Selling, general and administrative expenses	13,915	8.3%	11,589	8.4%
Amortization	1,113	0.7%	842	0.6%

Income from operations	9,970	5.9%	8,111	5.8%
Net interest (expense) income	(65)	0.0%	124	0.1%
Income before income taxes	9,905	5.9%	8,235	5.9%
Income tax provision	(4,152)	-2.5%	(3,424)	-2.4%
Net income	\$ 5,753	3.4%	\$ 4,811	3.5%

Per share data:

Net income per share - basic	\$ 0.47		\$ 0.41	
Weighted average number of common shares outstanding	12,130		11,828	

Net income per share - diluted	\$ 0.45		\$ 0.39	
Weighted average number of common and common equivalent shares	12,783		12,334	

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