



Bright Horizons Family Solutions Reports Second Quarter Financial Results; Earnings Per Share Grows 25% Enters Global Market with Nine Centers in London and Three in Guam

July 20, 2000

BOSTON--(BUSINESS WIRE)--July 20, 2000--Bright Horizons Family Solutions, Inc. (Nasdaq: BFAM) today announced financial results for the quarter and six months ended June 30, 2000.

Earnings per diluted share of \$0.20 in the quarter ended June 30, 2000 increased 25% from \$0.16 per diluted share for the quarter ended June 30, 1999. Revenues for the current period increased 18% to \$72.1 million from \$61.0 million for the quarter ended June 30, 1999. Net income for the second quarter ended June 30, 2000 increased 20% to \$2.5 million from \$2.1 million in the second quarter of 1999.

Earnings per diluted share of \$0.39 for the six months ended June 30, 2000 increased 26% from \$0.31 per diluted share for the six months ended June 30, 1999. Revenues for the first six months of 2000 increased 16% to \$138.7 million from \$119.4 million for the same period in 1999. Net income for the six months ended June 30, 2000 increased 21% to \$4.8 million from \$4.0 million in 1999.

"This was a particularly exciting quarter for Bright Horizons", commented Roger H. Brown, Chief Executive Officer. "In April we expanded our operations to the Pacific Rim when we assumed the management of three centers on the island of Guam for Raytheon and the U.S. Navy. We followed up in May with our acquisition of Nurseryworks Limited, a London-based operator of nine child care centers in the greater London area. Coupled with our strong network of centers in the United States, these two expansions position us as the worldwide leader in employer supported work/life services."

Brown continued, "We added a net total of 16 new family centers this quarter, including two additional backup centers for Chase Manhattan, bringing the total number of Chase centers to seven; a second center for Pfizer, which now joins the ranks of our multi-center clients; and a center for IBM through the American Business Collaboration."

"We have a strong pipeline of new centers under development", added Brown. "Among the over 60 centers in the pipeline are new commitments this quarter from the Timberland Company, Reebok International, Johns Hopkins University, TIAA-CREF and Motorola. The new commitment this quarter from money manager TIAA-CREF, coupled with the addition of Fidelity Investments to the pipeline last quarter, marks our expanding presence in yet another industry sector which is embracing work-site child care as a key component of their employee retention and employer-of-choice programs."

"We are very excited to now be positioned as the partner of choice for our clients in the US and abroad", Brown concluded. "We believe that our ability to offer global solutions to clients will give us a competitive advantage domestically, as well as growth opportunities abroad, as we are the only provider with these global service capabilities. In addition, our consulting team has continued to expand their project scope to include projects in the United Kingdom, Ireland, Germany as well as the United States."

Bright Horizons Family Solutions is the world's leading provider of employer-sponsored child care, early education and work/life consulting services, managing 325 family centers in the United States, the United Kingdom and the Pacific Rim. Bright Horizons serves more than 250 clients, including 75 Fortune 500 companies and 45 of the "100 Best Companies for Working Mothers," as recognized by Working Mother magazine. Bright Horizons was recently ranked number 26 on the Boston Globe's Top 100 Companies in Massachusetts.

Visit the Bright Horizons Family Solutions website at www.brighthorizons.com.

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 and to expand and operate effectively and profitably in the international market, 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 Quarterly Report on Form 10-Q for the period ending March 31, 2000 and Annual Report on Form 10-K for the year ended December 31, 1999.

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

	Three months ended			
	06/30/2000		06/30/1999	
Revenues	\$72,066	100.0%	\$60,960	100.0%

Cost of services	61,306	85.1%	52,096	85.5%
Gross profit	10,760	14.9%	8,864	14.5%
Selling, general and administrative expenses	6,046	8.4%	5,267	8.6%
Amortization	480	0.6%	217	0.3%
Income from operations	4,234	5.9%	3,380	5.6%
Net interest income	49	0.1%	145	0.2%
Income before income taxes	4,283	6.0%	3,525	5.8%
Income tax provision	(1,784)	-2.5%	(1,446)	-2.4%
Net income	\$2,499	3.5%	\$2,079	3.4%
Per share data:				
Net income per share - basic	\$0.21		\$0.17	
Weighted average number of common shares outstanding	11,836		12,095	
Net income per share - diluted	\$0.20		\$0.16	
Weighted average number of common and common equivalent shares	12,345		12,753	

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	Six months ended			
	06/30/2000		06/30/1999	
Revenues	\$138,688	100.0%	\$119,421	100.0%
Cost of services	118,146	85.2%	102,183	85.6%
Gross profit	20,542	14.8%	17,238	14.4%
Selling, general and administrative expenses	11,589	8.4%	10,394	8.7%
Amortization	842	0.6%	446	0.4%
Income from operations	8,111	5.8%	6,398	5.3%
Net interest income	124	0.1%	356	0.3%
Income before income taxes	8,235	5.9%	6,754	5.6%
Income tax provision	(3,424)	-2.4%	(2,770)	-2.3%
Net income	\$4,811	3.5%	\$3,984	3.3%
Per share data:				
Net income per share - basic	\$0.41		\$0.33	
Weighted average number of common shares outstanding	11,828		11,942	
Net income per share - diluted	\$0.39		\$0.31	
Weighted average number of common and common equivalent shares	12,334		12,745	

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