



Bright Horizons Family Solutions Reports Third Quarter 2005 Financial Results

October 26, 2005

BOSTON, MA, Oct 26, 2005 (MARKET WIRE via COMTEX News Network) -- Bright Horizons Family Solutions, Inc. (NASDAQ: BFAM) today announced financial results for the third quarter ended September 30, 2005.

Earnings per diluted share of \$0.32 in the quarter ended September 30, 2005 increased 33% from \$0.24 per diluted share for the quarter ended September 30, 2004. Revenue for the third quarter of 2005 increased 11% to \$154.4 million from \$139.0 million for the same quarter last year. Net income for the third quarter of 2005 increased 33% to \$9.0 million from \$6.8 million in the third quarter of 2004.

Earnings per diluted share of \$0.95 for the nine months ended September 30, 2005 increased 34% from \$0.71 per diluted share for the nine months ended September 30, 2004. Revenue for the first nine months of 2005 increased 14% to \$462.2 million from \$407.1 million for the same period last year. Net income for the first nine months of 2005 increased 36% to \$26.9 million from \$19.8 million in the first nine months of 2004.

"This was an exciting quarter for Bright Horizons," said David Lissy, Chief Executive Officer. "We were proud to welcome 47 new centers to our network. With the completion of our acquisition of ChildrenFirst on September 12, we now operate a nationwide network of high-quality dedicated back-up child care centers that offers employers a wide range of locations and services. This quarter we also opened our first center in Puerto Rico, in partnership with Amgen, along with centers for clients such as The Gap, Unilever, YUM Brands, Overlook Hospital, Covington and Burling, Illich Holdings, Milton Academy, and Union Pacific. Overseas, we added new centers for KwikFit Insurance in Glasgow, and our sixth center for Pfizer in Sandwich, England."

"This quarter also marked a milestone in the growth of Bright Horizons with the opening of our 100th center outside the U.S.," added Lissy. "This new center, located on the campus of the new world headquarters of the Royal Bank of Scotland in Edinburgh, is a state-of-the-art facility providing quality early education and supporting the needs of the working parents at the bank." At the end of the quarter, Bright Horizons operated 616 centers, with the capacity to serve more than 66,000 children and families, having closed 6 centers and combined 2 others with new larger centers during the quarter.

This past month Working Mother magazine released its annual list of "100 Best Companies for Working Mothers." "We are very proud of our 65 clients who were recently recognized on the 2005 Working Mother list, including 9 of the top 10," said Lissy. This prestigious ranking serves as an industry benchmark and highlights leading employers who have demonstrated a significant commitment to providing work/life solutions that support working mothers and their families. "These outstanding employers recognize that providing quality work site child care and other programs that help employees better integrate the challenges of work and life are key to their continuing business success."

Bright Horizons Family Solutions will host an investor conference call today at 4:30 pm ET. The public is invited to listen to the conference call by dialing 713-481-0095. Replays of the entire call will be available through Friday, November 11, 2005 at 973-341-3080, PIN# 6578923. The conference call will also be webcast and can be accessed through the Investor Relations section of the Bright Horizons Web site, www.brighthorizons.com. A copy of this press release is available on the Web site.

Bright Horizons Family Solutions is the world's leading provider of employer-sponsored child care, early education and work/life consulting services, managing 616 early care and family centers in the United States, the United Kingdom, Ireland and Canada. Bright Horizons serves more than 600 clients, including more than 90 FORTUNE 500 companies and 65 of the "100 Best Companies" as recognized by Working Mother magazine. Bright Horizons is one of FORTUNE magazine's "100 Best Companies to Work For."

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) enroll families in new as well as existing centers, and 3) open new centers and integrate acquisitions, as well as other factors that are discussed in detail in the Company's filings with the Securities and Exchange Commission.

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

	Three months ended			
	9/30/2005		9/30/2004	
Revenue	\$ 154,425	100.0%	\$ 138,954	100.0%
Cost of services	126,582	82.0%	116,025	83.5%

Gross profit	27,843	18.0%	22,929	16.5%
Selling, general and administrative expenses	12,668	8.2%	10,991	7.9%
Amortization	442	0.3%	354	0.3%
	-----	-----	-----	-----
Income from operations	14,733	9.5%	11,584	8.3%
Net interest income	556	0.4%	72	0.1%
	-----	-----	-----	-----
Income before income taxes	15,289	9.9%	11,656	8.4%
Income tax provision	(6,251)	-4.0%	(4,877)	-3.5%
	-----	-----	-----	-----
Net income	\$ 9,038	5.9%	\$ 6,779	4.9%
	=====	=====	=====	=====
Per share data:				
Net income per share - basic	\$ 0.33		\$ 0.25	
	=====		=====	
Weighted average number of common shares outstanding	27,279		26,600	
	=====		=====	
Net income per share - diluted	\$ 0.32		\$ 0.24	
	=====		=====	
Weighted average number of common and common equivalent shares	28,557		27,882	
	=====		=====	
Supplemental Information:				
Earnings before interest, taxes, depreciation and amortization (EBITDA)(a)	\$ 18,321		\$ 14,737	
Reconciliation of net income to EBITDA:				
Net income, as reported	\$ 9,038		\$ 6,779	
Add back income tax provision	6,251		4,877	
Less net interest income	(556)		(72)	
	-----		-----	
Income from operations	14,733		11,584	
Add back depreciation	3,146		2,799	
Add back amortization	442		354	
	-----		-----	
EBITDA	\$18,321		\$14,737	

(a) EBITDA is used as a financial performance indicator within the child care industry and is presented for informational purposes only. EBITDA is not a financial measure under generally accepted accounting principles and may be subject to varying methods of calculation and may not be comparable to other similarly titled measures by other companies.

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

	Nine months ended			
	9/30/2005		9/30/2004	
	-----	-----	-----	-----
Revenue	\$462,200	100.0%	\$407,101	100.0%
Cost of services	378,716	81.9%	340,230	83.6%
	-----	-----	-----	-----
Gross profit	83,484	18.1%	66,871	16.4%
Selling, general and administrative expenses	37,990	8.2%	32,270	7.9%
Amortization	1,202	0.3%	798	0.2%
	-----	-----	-----	-----
Income from operations	44,292	9.6%	33,803	8.3%
Net interest income	1,153	0.2%	167	0.0%
	-----	-----	-----	-----

Income before income taxes	45,445	9.8%	33,970	8.3%
Income tax provision	(18,587)	-4.0%	(14,210)	-3.4%
Net income	\$ 26,858	5.8%	\$ 19,760	4.9%

Per share data:

Net income per share - basic	\$ 0.99		\$ 0.75	
------------------------------	---------	--	---------	--

Weighted average number of common shares outstanding	27,078		26,428	
--	--------	--	--------	--

Net income per share - diluted	\$ 0.95		\$ 0.71	
--------------------------------	---------	--	---------	--

Weighted average number of common and common equivalent shares	28,380		27,758	
--	--------	--	--------	--

Supplemental Information:

Earnings before interest, taxes, depreciation and amortization (EBITDA)(a)	\$ 54,667		\$ 42,898	
--	-----------	--	-----------	--

Reconciliation of net income to EBITDA:

Net income, as reported	\$ 26,858		\$ 19,760	
Add back income tax provision	18,587		14,210	
Less net interest income	(1,153)		(167)	

Income from operations	44,292		33,803	
Add back depreciation	9,173		8,297	
Add back amortization	1,202		798	

EBITDA	\$ 54,667		\$ 42,898	
--------	-----------	--	-----------	--

(a) EBITDA is used as a financial performance indicator within the child care industry and is presented for informational purposes only. EBITDA is not a financial measure under generally accepted accounting principles and may be subject to varying methods of calculation and may not be comparable to other similarly titled measures by other companies.

INVESTOR CONTACT:

Elizabeth Boland
617-673-8000

MEDIA CONTACT:

Ilene Hoffer
617-673-8000

SOURCE: Bright Horizons Family Solutions