

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

Form 424B7

August 10, 2015

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Filed Pursuant to Rule 424(b)(7)

File No. 333-194790

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to the securities has become effective under the Securities Act of 1933, as amended. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated August 10, 2015

Prospectus Supplement to Prospectus dated March 25, 2014

3,000,000 Shares

Bright Horizons Family Solutions Inc.

Common Stock

The selling stockholders named in this prospectus supplement, which include certain of our executive officers and directors, are offering 3,000,000 shares of our common stock. We will not receive any proceeds from the sale of our common stock by the selling stockholders.

Subject to the completion of this offering, we have agreed to purchase from the underwriter 700,000 shares of our common stock that are subject to this offering at a price per share equal to the price per share paid by the underwriter to the selling stockholders in this offering.

Our common stock is listed on the New York Stock Exchange under the symbol BFAM. On August 7, 2015, the last sale price of our common stock as reported on the New York Stock Exchange was \$61.98 per share.

*Investing in our common stock involves substantial risk. Please read **Risk Factors** beginning on page S-8.*

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per share	Total
Public offering price	\$	\$
Underwriting discounts and commissions (1)	\$	\$
Proceeds to selling stockholders, before expenses	\$	\$

(1)

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We have agreed to reimburse the underwriter for certain expenses in connection with this offering. See Underwriting. No underwriting discounts or commissions are payable in respect of the shares being acquired by us. The underwriter expects to deliver the shares against payment in New York, New York on or about , 2015.

Barclays

Prospectus supplement dated , 2015

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We have not authorized anyone to provide any information or to make any representations other than those contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus are an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of the date of the applicable document.

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ABOUT THIS PROSPECTUS SUPPLEMENT

Unless otherwise indicated or the context otherwise requires, references in this prospectus supplement to the Company, Bright Horizons, we, us and our refer to Bright Horizons Family Solutions Inc. and its consolidated subsidiaries.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this common stock offering and certain other matters relating to us, our business and prospects. The second part, the accompanying prospectus, contains a description of our common stock and certain other information.

The information contained in this prospectus supplement may add, update or change information contained in the accompanying prospectus or in documents that we file or have filed with the Securities and Exchange Commission (the SEC). To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or documents incorporated by reference filed before the date of this prospectus supplement, the information in this prospectus supplement will supersede such information.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information appearing elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in our common stock. You should carefully read the entire prospectus supplement, the accompanying prospectus and the financial data and related notes and other information incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether to invest in our common stock.

Our Company

We are a leading provider of high-quality child care, early education and other services designed to help employers and families better address the challenges of work and life. We provide services primarily under multi-year contracts with employers who offer child care and other dependent care solutions as part of their employee benefits packages to improve employee engagement, productivity, recruitment and retention. As of June 30, 2015, we had more than 900 client relationships with employers across a diverse array of industries, including more than 140 Fortune 500 companies and more than 80 of *Working Mother* magazine's 2014 100 Best Companies for Working Mothers. Our service offerings include:

Center-based full service child care and early education (representing approximately 86% of our revenue in the year ended December 31, 2014);

Back-up dependent care; and

Educational advisory services.

We believe we are a provider of choice for each of the solutions we offer. As of June 30, 2015, we operated a total of 922 child care and early education centers across a wide range of customer industries with the capacity to serve approximately 106,000 children in the United States, as well as in the United Kingdom, the Netherlands, Ireland, Canada and India. We have achieved satisfaction ratings of approximately 95% among respondents in our employer and parent satisfaction surveys over each of the past five years and an annual client retention rate of 97% for employer-sponsored centers over each of the past ten years.

We have a more than 25-year track record of providing high-quality services and a history of strong financial performance. From 2001 through 2014, we have achieved year-over-year revenue and adjusted EBITDA growth at a compound annual growth rate of 11% for revenue and 17% for adjusted EBITDA. We also achieved year-over-year net income growth at a compound annual growth rate of 23% from 2001 to 2007. In 2008 through 2010, we incurred net losses due primarily to the additional debt service obligations and amortization expense incurred in connection with our going private transaction. In 2011, 2012, 2013 and 2014, our net income grew \$14.8 million, \$3.7 million, \$3.8 million and \$59.7 million, respectively, over the prior year to \$4.8 million, \$8.5 million, \$12.3 million and \$72.0 million, respectively. For the six months ended June 30, 2015, our net income grew \$11.7 million to \$49.5 million compared to the six month period ended June 30, 2014. Our strong revenue growth has been driven by additions to our center base through organic center growth and acquisitions, expansions of our service offerings to back-up dependent care and educational advisory services and consistent annual tuition increases. We have also increased our adjusted EBITDA margin in each year from 2001 through 2014. For the years ended December 31, 2013 and 2014 and the six months ended June 30, 2015, we generated revenue of \$1.2 billion, \$1.4 billion and \$720.9 million, net income of \$12.3 million, which included a loss on extinguishment of debt of \$63.7 million related to our debt refinancing in January 2013, \$72.0 million, and \$49.5 million, adjusted EBITDA of \$208.5 million,

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\$238.1 million and \$140.2 million and adjusted net income of \$78.3 million, \$97.2 million and \$60.2 million, respectively. Additional information regarding adjusted EBITDA and adjusted net income, which are non-GAAP metrics, including a reconciliation of adjusted EBITDA and adjusted net income to net income, is included in the Summary Consolidated Financial and Other Data in this prospectus supplement and the Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference from our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 2, 2015, and the Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference from our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, filed with the SEC on August 7, 2015.

Share Repurchase

We intend to purchase from the underwriter 700,000 shares of our common stock that are subject to this offering at a price per share equal to the price per share paid by the underwriter to the selling stockholders in this offering. We refer to this repurchase as the share repurchase. The share repurchase is part of our existing \$250 million equity repurchase program approved by our board of directors on February 4, 2015. After giving effect to the share repurchase, we will have remaining authorization to repurchase up to approximately \$ million of our common stock under the repurchase program. We intend to fund the share repurchase with cash on hand. The closing of the share repurchase is contingent on the closing of this offering.

The description and the other information in this prospectus supplement regarding the share repurchase is included in this prospectus supplement solely for informational purposes. Nothing in this prospectus supplement should be construed as an offer to sell, or the solicitation of an offer to buy, any of our common stock subject to the share repurchase.

Corporate Information

Our principal executive offices are located at 200 Talcott Avenue South, Watertown, Massachusetts 02472, and our telephone number is (617) 673-8000. Our Internet website address is www.brighthorizons.com. The information on, or that can be accessed through, our website is not part of this prospectus supplement or the accompanying prospectus, and you should not rely on any such information in making the decision whether to purchase our common stock.

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The Offering

Common stock offered by the selling stockholders	3,000,000 shares
Use of proceeds	We will not receive any of the proceeds from the sale of shares of common stock by the selling stockholders.
Dividend policy	We do not currently intend to pay cash dividends on our common stock.
Share repurchase	Subject to completion of this offering, we have agreed to repurchase 700,000 shares of our common stock that are subject to this offering from the underwriter at a price per share equal to the price paid by the underwriter to the selling stockholders in this offering. The closing of the share repurchase is contingent on the closing of this offering. The share repurchase was approved by a special committee of our board of directors, which is comprised entirely of disinterested directors.
Risk factors	You should read carefully the information set forth under Risk Factors herein and in the accompanying prospectus for a discussion of factors that you should consider before deciding to invest in our common stock.
New York Stock Exchange trading symbol	BFAM

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Summary Consolidated Financial and Other Data

The following table sets forth our summary historical and unaudited consolidated financial data as of the dates and for the periods indicated. The summary historical financial data as of December 31, 2013 and 2014 and for the three years in the period ended December 31, 2014 presented in this table have been derived from our audited consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus. The summary historical financial data as of June 30, 2015 and for the six months ended June 30, 2014 and June 30, 2015 have been derived from our unaudited consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus. The summary historical financial data as of June 30, 2014 has been derived from our unaudited consolidated financial statements as of such date, which are not incorporated by reference into this prospectus supplement or the accompanying prospectus. The summary consolidated balance sheet data as of December 31, 2012 has been derived from our audited consolidated financial statements for such year, which are not incorporated by reference in this prospectus supplement. The unaudited consolidated financial data have been prepared on the same basis as our audited consolidated financial statements, and, in our opinion, all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the financial position, results of operations, and cash flows have been included. The results for any interim period are not necessarily indicative of the results that may be expected for a full fiscal year. Historical results are not necessarily indicative of the results to be expected for future periods. The data in the following table related to adjusted EBITDA, adjusted income from operations, adjusted net income, diluted adjusted earnings per common share, child care and early education centers and licensed capacity are unaudited for all periods presented.

This summary historical consolidated financial and other data should be read in conjunction with the disclosures set forth under **Management's Discussion and Analysis of Financial Condition and Results of Operations** and the consolidated financial statements and the related notes thereto, both of which can be found in our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, both of which are incorporated by reference herein.

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	Years Ended December 31,			Six Months Ended	
	2012	2013	2014	2014	2015
	(In thousands, except share and operating data)				
Consolidated Statement of Operations Data:					
Revenue	\$ 1,070,938	\$ 1,218,776	\$ 1,352,999	\$ 680,255	\$ 720,905
Cost of services	825,168	937,840	1,039,397	519,992	538,437
Gross profit	245,770	280,936	313,602	160,263	182,468
Selling, general and administrative expenses	123,373	141,827	137,683	68,608	73,735
Amortization of intangible assets	26,933	30,075	28,999	15,109	13,754
Income from operations	95,464	109,034	146,920	76,546	94,979
Loss on extinguishment of debt	-	(63,682)	-	-	-
Interest income	152	85	103	26	85
Interest expense	(83,864)	(40,626)	(34,709)	(17,367)	(20,469)
Income before income taxes	11,752	4,811	112,314	59,205	74,595
Income tax (expense) benefit	(3,243)	7,533	(40,279)	(21,443)	(25,144)
Net income	8,509	12,344	72,035	37,762	49,451
Net income (loss) attributable to non-controlling interest	347	(279)	-	-	-
Net income attributable to Bright Horizons Family Solutions Inc.	\$ 8,162	\$ 12,623	\$ 72,035	\$ 37,762	\$ 49,451
Accretion of Class L preference	79,211	-	-	-	-
Accretion of Class L preference for vested options	5,436	-	-	-	-
Net (loss) income available to common stockholders	\$ (76,485)	\$ 12,623	\$ 72,035	\$ 37,762	\$ 49,451
Allocation of net income (loss) to common stockholders basic and diluted:					
Class L basic and diluted	\$ 79,211	\$ -	\$ -	\$ -	\$ -
Common stock basic	\$ (76,485)	\$ 12,623	\$ 71,755	\$ 37,617	\$ 49,121
Common stock diluted	\$ (76,485)	\$ 12,623	\$ 71,761	\$ 37,621	\$ 49,130
Earnings (loss) per share:					
Class L basic and diluted	\$ 59.73	\$ -	\$ -	\$ -	\$ -
Common stock basic	\$ (12.62)	\$ 0.20	\$ 1.09	\$ 0.57	\$ 0.80
Common stock diluted	\$ (12.62)	\$ 0.20	\$ 1.07	\$ 0.56	\$ 0.78
Weighted average shares outstanding:					
Class L basic and diluted	1,326,206	-	-	-	-
Common stock basic	6,058,512	62,659,264	65,612,572	65,590,275	61,522,973
Common stock diluted	6,058,512	64,509,036	67,244,172	67,333,130	63,023,803
Consolidated Balance Sheet Data (at period end):					
Total cash and cash equivalents	\$ 34,109	\$ 29,585	\$ 87,886	\$ 112,283	\$ 76,920
Total assets	1,916,108	2,102,670	2,141,076	2,166,482	2,148,670
Total liabilities, excluding debt	401,125	449,310	468,940	452,975	488,269
Total debt, including current maturities	906,643	764,223	921,177	761,779	918,163
Total redeemable non-controlling interest	8,126	-	-	-	-
Class L common stock	854,101	-	-	-	-
Total stockholders' equity (deficit)	(253,887)	889,137	750,959	951,728	742,238
Other Financial and Operating Data:					
Adjusted EBITDA (1)(2)	180,851	208,541	238,081	121,784	140,245
Adjusted income from operations (1)(2)	112,482	126,850	149,620	77,096	95,325
Adjusted net income (1)(2)	37,807	78,260	97,238	50,168	60,176
Diluted adjusted earnings per common share (1)(2)			\$ 1.45		\$ 0.95
Capital expenditures	69,086	69,509	66,194	30,701	41,800
Child care and early education centers (at period end)	765	880	884	882	922
Licensed capacity (at period end)	87,100	99,700	101,000	99,600	106,000

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- (1) Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share, as presented below, are metrics used by management to measure operating performance. Adjusted EBITDA represents our earnings before interest, taxes, depreciation, amortization, loss on extinguishment of debt, straight line rent expense, stock compensation expense, the Sponsor management fee, expenses related to the initial and secondary public offerings and refinancing and expenses associated with completed acquisitions. Adjusted income from operations represents income from operations before stock compensation expense, the Sponsor management fee, expenses related to the initial and secondary public offerings and refinancing and expenses associated with completed acquisitions. Adjusted net income represents our net income determined in accordance with generally accepted accounting principles in the United States, or GAAP, adjusted for stock compensation expense, amortization expense, loss on extinguishment of debt, the Sponsor management fee, expenses related to the initial and secondary public offerings and refinancing, expenses associated with completed acquisitions and the income tax expense thereon. Diluted adjusted earnings per common share is a non-GAAP measure calculated using adjusted net income.

	Years Ended December 31,			Six Months Ended	
	2012	2013	2014	2014	2015
	(In thousands, except share and per share data)				
Net income	\$ 8,509	\$ 12,344	\$ 72,035	\$ 37,762	\$ 49,451
Interest expense, net	83,712	40,541	34,606	17,341	20,384
Income tax expense (benefit)	3,243	(7,533)	40,279	21,443	25,144
Depreciation	34,415	42,733	48,448	23,841	24,912
Amortization of intangible assets (a)	26,933	30,075	28,999	15,109	13,754
EBITDA	156,812	118,160	224,367	115,496	133,645
<i>Additional adjustments:</i>					
Loss on extinguishment of debt (b)	-	63,682	-	-	-
Deferred rent (c)	2,142	2,985	3,092	1,315	1,654
Stock-based compensation expense (d)	17,596	10,692	7,922	4,423	4,600
Sponsor management fee (e)	2,500	7,674	-	-	-
Expenses related to the initial and secondary public offerings and refinancing (f)	1,801	1,336	2,700	550	346
Acquisition-related costs (g)	-	4,012	-	-	-
Total adjustments	24,039	90,381	13,714	6,288	6,600
Adjusted EBITDA	\$ 180,851	\$ 208,541	\$ 238,081	\$ 121,784	\$ 140,245
Income from operations	\$ 95,464	\$ 109,034	\$ 146,920	\$ 76,546	\$ 94,979
Stock-based compensation expense for performance-based awards (2013) and effect of option modification (2012) (d)	15,217	4,968	-	-	-
Sponsor termination fee (e)	-	7,500	-	-	-
Expenses related to the initial and secondary public offerings and refinancing (f)	1,801	1,336	2,700	550	346
Acquisition-related costs (g)	-	4,012	-	-	-
Adjusted income from operations	\$ 112,482	\$ 126,850	\$ 149,620	\$ 77,096	\$ 95,325
Net income	\$ 8,509	\$ 12,344	\$ 72,035	\$ 37,762	\$ 49,451
Income tax expense (benefit)	3,243	(7,533)	40,279	21,443	25,144
Income before tax	11,752	4,811	112,314	59,205	74,595
Stock-based compensation expense (d)	17,596	10,692	7,922	4,423	4,600
Sponsor management fee (e)	2,500	7,674	-	-	-
Amortization of intangible assets (a)	26,933	30,075	28,999	15,109	13,754
Expenses related to initial and secondary public offerings and refinancing (f)	1,801	1,336	2,700	550	346
Acquisition-related costs (g)	-	4,012	-	-	-
Loss on extinguishment of debt (b)	-	63,682	-	-	-
Adjusted income before tax	60,582	122,282	151,935	79,287	93,295
Adjusted income tax expense (h)	22,775	44,022	54,697	29,119	33,119

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Adjusted net income	\$ 37,807	\$ 78,260	\$ 97,238	\$ 50,168	\$ 60,176
Weighted average number of common shares diluted			67,244,172		63,023,803
Diluted adjusted earnings per common share			\$ 1.45		\$ 0.95

- (a) Represents amortization of intangible assets, including approximately \$20.0 million in the years 2012, 2013 and 2014 and approximately \$10.0 million in the six months ended June 30, 2014 and 2015, associated with intangible assets recorded in connection with our going private transaction in May 2008, pursuant to which a wholly owned merger subsidiary of investment funds affiliated with Bain Capital Investors, LLC was merged with and into Bright Horizons Family Solutions Inc.
- (b) Represents redemption premiums and write off of unamortized debt issue costs and original issue discount associated with indebtedness that was repaid in connection with a refinancing.

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- (c) Represents rent in excess of cash paid for rent, recognized on a straight line basis over the lease life in accordance with ASC Topic 840, *Leases*.
- (d) Represents non-cash stock-based compensation expense, including performance-based stock compensation expense in 2013.
- (e) Represents fees paid to our Sponsor under a management agreement, including the Sponsor termination fee.
- (f) Represents costs incurred in connection with secondary offerings of common stock in June 2013, March 2014, December 2014, and June 2015, costs incurred in connection with the initial public offering of common stock completed in January 2013 and costs in connection with the November 2014 amendment to the credit agreement.
- (g) Represents costs associated with the acquisition of businesses.
- (h) Represents income tax expense using the estimated rate that would have been in effect after considering the adjustments, which was approximately 36% for the years ended December 31, 2013 and 2014, 38% for the year ended December 31, 2012, and approximately 37% and 36% for the six months ended June 30, 2014 and 2015.

- (2) Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are not presentations made in accordance with GAAP, and the use of the terms adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share may differ from similar measures reported by other companies. We believe that adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share provide investors with useful information with respect to our historical operations.

We present adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share as supplemental performance measures because we believe they facilitate a comparative assessment of our operating performance relative to our performance based on our results under GAAP, while isolating the effects of some items that vary from period to period. Specifically, adjusted EBITDA allows for an assessment of our operating performance and of our ability to service or incur indebtedness without the effect of non-cash charges, such as depreciation, amortization, the excess of rent expense over cash rent expense and stock-based compensation expense, and the effect of fees associated with our Sponsor management agreement, which was terminated in connection with the completion of our initial public offering on January 30, 2013, as well as the expenses related to the acquisition of businesses. In addition, adjusted income from operations and adjusted net income allow us to assess our performance without the impact of the specifically identified items that we believe do not directly reflect our core operations. These measures also function as benchmarks to evaluate our operating performance.

This prospectus supplement also includes information concerning adjusted EBITDA margin, which is defined as the ratio of adjusted EBITDA to revenue. We present adjusted EBITDA margin because it is used by management as a performance measurement to judge the level of adjusted EBITDA generated from revenue. We believe its inclusion is appropriate to provide additional information to investors and other external users of our financial statements. Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are not measurements of our financial performance under GAAP and should not be considered in isolation or as an alternative to income before taxes, net income, net cash provided by operating, investing or financing activities or any other financial statement data presented as indicators of financial performance or liquidity, each as presented in accordance with GAAP. We understand that although adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are frequently used by securities analysts, lenders and others in their evaluation of companies, they have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share do not fully reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;

adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share do not reflect changes in, or cash requirements for, our working capital needs;

adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future; and

adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share do not reflect any cash requirements for such replacements.

Because of these limitations, adjusted EBITDA, adjusted income from operations, and adjusted net income should not be considered as discretionary cash available to us to reinvest in the growth of our business or as measures of cash that will be available to us to meet our obligations.

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RISK FACTORS

An investment in our common stock involves various risks. You should carefully consider the following risks and all of the other information contained in this prospectus supplement and the accompanying prospectus before investing in our common stock. In addition, you should read and consider the risk factors associated with our business included in the documents incorporated by reference in this prospectus supplement, including our Annual Report on Form 10-K for the year ended December 31, 2014. See Where You Can Find More Information. The risks described below and incorporated herein by reference are those which we believe are the material risks that we face. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment in our common stock.

Risks Related to Our Common Stock and this Offering

Our stock price could be extremely volatile, and, as a result, you may not be able to resell your shares at or above the price you paid for them.

Since our initial public offering in January 2013, the price of our common stock, as reported on the New York Stock Exchange, has ranged from a low of \$27.50 on January 25, 2013 to a high of \$66.06 on August 5, 2015. In addition, the stock market in general has been highly volatile. As a result, the market price of our common stock is likely to be similarly volatile, and investors in our common stock may experience a decrease, which could be substantial, in the value of their stock, including decreases unrelated to our operating performance or prospects, and could lose part or all of their investment. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including those described elsewhere in this prospectus supplement or the accompanying prospectus and others such as:

variations in our operating performance and the performance of our competitors;

actual or anticipated fluctuations in our quarterly or annual operating results;

publication of research reports by securities analysts about us or our competitors or our industry;

our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;

additions and departures of key personnel;

strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;

the passage of legislation or other regulatory developments affecting us or our industry;

speculation in the press or investment community;

changes in accounting principles;

terrorist acts, acts of war or periods of widespread civil unrest;

natural disasters and other calamities; and

changes in general market and economic conditions.

In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

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We are no longer a controlled company within the meaning of the New York Stock Exchange listing rules. However, we may continue to rely on exemptions from certain corporate governance requirements during the one year transition period.

As of December 10, 2014, our Sponsor no longer controls a majority of the voting power of our outstanding common stock. As a result, we are no longer a controlled company under the New York Stock Exchange rules. Consequently, under the New York Stock Exchange corporate governance rules, we will be required to comply with certain corporate governance requirements including:

the requirement that a majority of the board of directors consist of independent directors;

the requirement that we have a nominating and corporate governance committee with a written charter addressing the committee's purpose and responsibilities;

the requirement that the nominating and corporate governance committee have at least one independent director as of the date we are no longer a controlled company, a majority of independent directors as of 90 days of the date we are no longer a controlled company, and be composed entirely of independent directors within one year of the date we are no longer a controlled company;

the requirement that we have a compensation committee with a written charter addressing the committee's purpose and responsibilities;

the requirement that the compensation committee have at least one independent director as of the date we are no longer a controlled company, a majority of independent directors as of 90 days of the date we are no longer a controlled company, and be composed entirely of independent directors within one year of the date we are no longer a controlled company; and

the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees. During the transition periods, we intend to continue to utilize the available exemptions from certain corporate governance requirements as permitted by the New York Stock Exchange rules. Accordingly, during the transition periods, you will not have the same protections afforded to stockholders of companies that are subject to all of the New York Stock Exchange corporate governance standards.

Further, certain provisions of our certificate of incorporation and bylaws were automatically triggered when our Sponsor's beneficial ownership became less than 50% of our outstanding shares, including the need for super majority approval to amend, alter, change or repeal specified provisions of our certificate of incorporation and bylaws, a prohibition on the ability of our stockholders to act by written consent and certain limitations on the ability of our stockholders to call a special meeting. See "Description of Capital Stock" in the accompanying prospectus.

Your percentage ownership in us may be diluted by future issuances of capital stock, which could reduce your influence over matters on which stockholders vote.

Pursuant to our restated bylaws, our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options, or shares of our authorized but unissued preferred stock. Issuances of common stock or voting preferred stock would reduce your influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, would likely result in your interest in us being subject to the prior rights of holders of that preferred stock.

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There may be sales of a substantial amount of our common stock after this offering by our current stockholders, and these sales could cause the price of our common stock to fall.

As of August 4, 2015, there were 60,686,444 shares of common stock outstanding. Of our issued and outstanding shares, all the common stock sold in our initial public offering, in the offering by certain selling shareholders completed in June 2013 (the June 2013 follow-on offering), in the offering by certain selling shareholders completed in March 2014 (the March 2014 follow-on offering), in the offering by certain selling shareholders completed in December 2014 (the December 2014 follow-on offering), in the offering by certain selling shareholders completed in June 2015 (the June 2015 follow-on offering), or this offering will be freely transferable, except for any shares held by our affiliates, as that term is defined in Rule 144 under the Securities Act. Following completion of this offering based on the shares outstanding as of August 4, 2015, and after giving effect to the share repurchase, approximately 36.4% of our outstanding common stock will be beneficially owned by investment funds affiliated with the Sponsor and our officers and directors.

Each of our directors, executive officers and significant equity holders (including affiliates of the Sponsor) has entered into a lock-up agreement with the underwriter, which regulates their sales of our common stock for a period of 30 days after the date of this prospectus supplement, subject to certain exceptions (including contributions to charitable organizations which may freely resell the contributed shares and up to 39,365 shares which may be transferred by directors and officers pursuant to trading plans established prior to the date of this prospectus supplement under Rule 10b5-1 under the Exchange Act).

Sales of substantial amounts of our common stock in the public market after this offering, or the perception that such sales will occur, could adversely affect the market price of our common stock and make it difficult for us to raise funds through securities offerings in the future. Of the shares to be outstanding after the offering, the shares sold in our initial public offering, the shares sold in the June 2013 follow-on offering, the shares sold in the March 2014 follow-on offering, the shares sold in the December 2014 follow-on offering, the shares sold in the June 2015 follow-on offering, and the shares offered by this prospectus supplement will be eligible for immediate sale in the public market without restriction by persons other than our affiliates. Our remaining outstanding shares will become available for resale in the public market as shown in the chart below, subject to the provisions of Rule 144 and Rule 701.

Number of Shares	Date Available for Resale
2,247,529	On the date of this offering
20,962,124	30 days after the date of this offering (September 9, 2015), subject to certain exceptions and automatic extensions in certain circumstances

Beginning 30 days after this offering, subject to certain exceptions, holders of shares of our common stock may require us to register their shares for resale under the federal securities laws, and holders of additional shares of our common stock would be entitled to have their shares included in any such registration statement, all subject to reduction upon the request of the underwriters of the offering, if any. Registration of those shares would allow the holders to immediately resell their shares in the public market. Any such sales or anticipation thereof could cause the market price of our common stock to decline.

In addition, we have registered 5,000,000 shares of common stock that are reserved for issuance under our 2012 Omnibus Long-Term Incentive Plan.

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Provisions in our charter documents and Delaware law may deter takeover efforts that could be beneficial to stockholder value.

In addition to the Sponsor's beneficial ownership of a substantial percentage of our common stock, our certificate of incorporation and by-laws and Delaware law contain provisions that could make it harder for a third party to acquire us, even if doing so might be beneficial to our stockholders. These provisions include a classified board of directors and limitations on actions by our stockholders. In addition, our board of directors has the right to issue preferred stock without stockholder approval that could be used to dilute a potential hostile acquiror. Our certificate of incorporation also imposes some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock other than the Sponsor. As a result, you may lose your ability to sell your stock for a price in excess of the prevailing market price due to these protective measures, and efforts by stockholders to change the direction or management of the Company may be unsuccessful. See Description of Capital Stock.

Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our by-laws, or (iv) any other action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our certificate of incorporation described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

If you purchase shares in this offering, you will suffer immediate and substantial dilution.

If you purchase shares of our common stock in this offering, you will incur immediate and substantial dilution in the pro forma book value of your stock of \$75.62 per share based on an assumed public offering price of \$61.98 (the closing price of our common stock on August 7, 2015) because the price that you pay will be substantially greater than the net tangible book value deficiency per share of the shares you acquire. You will experience additional dilution upon the exercise of options and warrants to purchase our common stock, including those options currently outstanding and those granted in the future, and the issuance of restricted stock or other equity awards under our stock incentive plans. To the extent we raise additional capital by issuing equity securities, our stockholders will experience substantial additional dilution.

The Sponsor continues to have significant influence over us, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of key transactions, including a change of control.

Upon completion of this offering, based on the 60,686,444 shares of common stock outstanding as of August 4, 2015, and after giving effect to the share repurchase, investment funds affiliated with

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the Sponsor will beneficially own approximately 33.6% of our outstanding common stock. For as long as the Sponsor continues to control a substantial percentage of the voting power of our common stock, it will be able to direct the election of all of the members of our board of directors and could also have some influence over our business and affairs, including any determinations with respect to mergers or other business combinations, the acquisition or disposition of assets, the incurrence of indebtedness, the issuance of any additional common stock or other equity securities, the repurchase or redemption of common stock and the payment of dividends.

Additionally, the Sponsor is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. The Sponsor may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Because we have no current plans to pay cash dividends on our common stock for the foreseeable future, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.

We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our board of directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur, including our senior secured credit facilities. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, forward-looking statements. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms believes, expects, may, will, should, seeks, projects, approximately, intends, or anticipates, or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which we and our partners operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the Risk Factors section of this prospectus supplement and our Annual Report on Form 10-K for the year ended December 31, 2014, which include but are not limited to the following:

changes in the demand for child care and other dependent care services;

our ability to hire and retain qualified teachers;

that the terms of our indebtedness could restrict our current and future operations;

the possibility that acquisitions may disrupt our operations and expose us to additional risk;

our reliance on the expertise of operating staff, especially in international markets;

the possibility that adverse publicity would have a negative impact on the demand for our services and the value of our brand;

the possibility that our business activities subject us to litigation risks that could result in significant money or reputational damages;

the remediation of our material weakness;

our ability to pass on our increased costs;

changes in our relationships with employer sponsors;

our ability to obtain and maintain adequate insurance coverage at a reasonable cost;

changes in laws or regulations that govern our business;

our ability to withstand seasonal fluctuations in the demand for our services;

our ability to retain and attract key management and key employees;

significant competition within our industry;

our ability to implement our growth strategies successfully;

our susceptibility to the economic impact of governmental or universal child care programs in the countries in which we operate;

breaches in data security; and

the impact of a regional or global health pandemic or other catastrophic event.

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Important factors that could cause actual results to differ materially from our expectations are more fully described in our other filings with the SEC, including in the Risk Factors section in our Annual Report on Form 10-K for the year ended December 31, 2014, and our subsequent filings with the SEC, incorporated by reference in this prospectus supplement. See Where You Can Find More Information.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statements that we make speak only as of the date of such statement, and we undertake no obligation to update any forward-looking statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

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USE OF PROCEEDS

We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.

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Table of Contents**MARKET PRICE OF OUR COMMON STOCK**

Our common stock has been listed on the New York Stock Exchange under the symbol BFAM since January 25, 2013. Prior to that time, there was no public market for our common stock. The following table sets forth for the periods indicated the high and low sale prices of our common stock on the New York Stock Exchange.

Fiscal Quarter	High	Low
2014:		
First quarter	\$ 40.05	\$ 35.65
Second quarter	\$ 44.16	\$ 36.98
Third quarter	\$ 43.78	\$ 39.66
Fourth quarter	\$ 47.30	\$ 40.60
2015:		
First quarter	\$ 53.19	\$ 43.77
Second quarter	\$ 60.00	\$ 48.89
Third quarter (through August 7, 2015)	\$ 66.06	\$ 56.76

A recent reported closing price for our common stock is set forth on the cover page of this prospectus supplement. Wells Fargo Transfer Agent Services is the transfer agent and registrar for our common stock. As of August 4, 2015, there were 24 holders of record of our common stock.

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DIVIDEND POLICY

Our board of directors does not currently intend to pay regular dividends on our common stock. However, we expect to reevaluate our dividend policy on a regular basis following this offering and may, subject to compliance with the covenants contained in our senior secured credit facilities and other considerations, determine to pay dividends in the future.

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PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of our common stock as of August 4, 2015 by:

each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;

each of our named executive officers and directors;

all of our directors and executive officers as a group; and

each other stockholder selling shares in this offering.

The percentage ownership information shown in the table below is based upon 60,686,444 shares of common stock outstanding as of August 4, 2015.

Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of more than 5% of our common stock. We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. These rules generally attribute beneficial ownership of shares to persons who possess sole or shared voting or investment power with respect to such shares. The information does not necessarily indicate beneficial ownership for any other purpose. Under these rules, the number of shares of common stock deemed outstanding includes shares issuable upon exercise of options and held by the respective person or group which may be exercised or converted within 60 days after August 4, 2015. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person or entity, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person or entity.

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Unless otherwise indicated below, the address for each listed director, officer and stockholder is c/o Bright Horizons Family Solutions Inc., 200 Talcott Avenue South, Watertown, Massachusetts 02472. The inclusion in the following table of those shares, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner. Unless otherwise indicated and subject to applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over the shares listed, except for those jointly owned with that person's spouse.

Name and Address of Beneficial Owner	Shares Owned Before the Offering		Shares Offered Hereby	Shares Owned After the Offering and Share Repurchase	
	Number	Percentage		Number	Percentage (1)
Beneficial owners of 5% or more of our common stock:					
Bain Capital Fund X, L.P. and related funds (2)	23,047,860	38%	2,916,251	20,131,609	33.6%
Baron Capital Group, Inc. and related funds (3)	5,525,179	9.1%	-	5,525,179	9.2%
Other Selling Stockholders:					
RGIP, LP (4)	29,632	*	3,749	25,883	*
Directors and Named Executive Officers:					
Lawrence Alleva (5)	4,411	*	-	4,411	*
Joshua Bekenstein (6)	1,000	*	-	1,000	*
Elizabeth J. Boland (7)	305,554	*	25,000	280,554	*
Roger H. Brown (8)	246,964	*	-	246,964	*
E. Townes Duncan (9)	4,111	*	-	4,111	*
Danroy T. Henry, Sr. (10)	28,942	*	-	28,942	*
Jordan Hitch (11)	1,000	*	-	1,000	*
David Humphrey (12)	1,000	*	-	1,000	*
Marguerite W. Kondracke (13)	21,347	*	-	21,347	*
Stephen H. Kramer (14)	139,701	*	-	139,701	*
Sara Lawrence-Lightfoot (15)	2,011	*	-	2,011	*
David H. Lissy (16)	965,572	1.6%	25,000	940,572	1.5%
Linda A. Mason (17)	246,964	*	-	246,964	*
Mary Ann Tocio (18)	415,834	*	30,000	385,834	*
All executive officers and directors as a group (15 persons) (19)	2,256,946	3.6%	80,000	2,176,946	3.5%

* Indicates less than one percent.

- (1) Assumes the consummation of the share repurchase of 700,000 shares of our common stock from the underwriter concurrently with the closing of this offering.
- (2) The shares included in the table consist of: (i) 22,781,632 shares of common stock owned by Bain Capital Fund X, L.P., whose managing partner is Bain Capital Partners X, L.P., whose managing partner is Bain Capital Investors, LLC (BCI), (ii) 3,022 shares of common stock owned by BCIP Associates-G, whose managing partner is BCI, (iii) 159,923 shares of common stock owned by BCIP Associates III, LLC, whose manager is BCIP Associates III, (iv) 29,034 shares of common stock owned by BCIP Associates III-B LLC, whose manager is BCIP Associates III-B, (v) 69,441 shares of common stock owned by BCIP T Associates III, LLC, whose manager is BCIP Trust Associates III, and (vi) 4,808 shares of common stock owned by BCIP T Associates III-B, LLC whose managing partner is BCIP Trust Associates III-B. In this offering (i) Bain Capital Fund X, L.P. will sell 2,882,566 shares of common stock, (ii) BCIP Associates-G will sell 382 shares of common stock, (iii) BCIP Associates III, LLC will sell 20,235 shares of common stock, (iv) BCIP Associates III-B, LLC will sell 3,674 shares of common stock, (v) BCIP T Associates III, LLC will sell 8,786

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shares of common stock and (vi) BCIP T Associates III-B, LLC will sell 608 shares of common stock. BCI is the managing partner of BCIP Associates III, BCIP Associates, III-B, BCIP Trust Associates III and BCIP Trust Associates III-B. As a result of the relationships described above, BCI may be deemed to share beneficial ownership of the shares held by each of Bain Capital Fund X, L.P., BCIP Associates-G, BCIP Associates III, LLC, BCIP Associates III-B, LLC, BCIP T Associates III, LLC and BCIP T Associates III-B, LLC (collectively, the Bain Capital Entities). Certain partners and other employees of Bain Capital Entities may make a contribution of shares of common stock to one or more charities prior to this offering. In such case, a recipient charity, if it chooses to participate in this offering, will be the selling stockholder with respect to the donated shares. The governance, investment strategy and decision-making process with respect to investments held by the Bain Capital Entities is directed by BCI's Global Private Equity Board (GPEB), which is comprised of the following individuals: Steven Barnes, Joshua Bekenstein, John Connaughton, Stephen Pagliuca, Michel Plantevin, Dwight Poler and Jonathan Zhu. By virtue of the relationships described in this footnote, GPEB may be deemed to exercise voting and dispositive power with respect to the shares held by the Bain Capital Entities. Each of the members of GPEB disclaims beneficial ownership of such shares to the extent attributed to such member solely by virtue of serving on GPEB. Each of the Bain Capital Entities has an address c/o Bain Capital Partners, LLC, 200 Clarendon Street, Boston, MA 02116.

- (3) The information regarding the Baron Entities (as defined below) is based solely on information included in the Form 13F filed by them with the SEC on May 15, 2015. The Baron Entities reported that Baron Capital Management, Inc. (BCM) beneficially owns 5,525,179 shares of common stock. BCM is a subsidiary of Baron Capital Group, Inc. (BCG). Ronald Baron owns a controlling interest in BCG. The address for BCM, BCG and Mr. Baron (collectively, the Baron Entities) is 767 Fifth Avenue, 4th floor, New York, NY 10153.
- (4) The general partner of RGIP, LP is RGIP GP, LLC. Brad Malt, Ann Milner and Alfred Rose have shared voting and investment power for RGIP GP, LLC. The address of RGIP, LP is Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600.
- (5) Includes 2,011 shares that can be acquired upon the settlement of vested restricted stock units.
- (6) Includes 1,000 shares that can be acquired upon the settlement of vested restricted stock units. Does not include shares of common stock held by the Bain Capital Entities. Mr. Bekenstein is a Managing Director of BCI and a member of GPEB and as a result, and by virtue of the relationships described in footnote 2 above, may be deemed to share beneficial ownership of the shares held by the Bain Capital Entities. The address for Mr. Bekenstein is c/o Bain Capital Partners, LLC, John Hancock Tower, 200 Clarendon Street, Boston, Massachusetts 02116.
- (7) Includes 166,791 shares of common stock that can be acquired upon the exercise of outstanding options.
- (8) Includes (i) 1,226 shares held by the Roger H. Brown, Jr. Trust dated August 7, 1996, (ii) 1,235 shares held by Mr. Brown, (iii) 152,288 shares held by the Linda A. Mason Trust dated August 7, 1996, (iv) 8,270 shares held by Ms. Mason, Mr. Brown's spouse, (v) 9,982 shares that may be acquired by Mr. Brown upon the exercise of outstanding options, (vi) 69,941 shares that may be acquired by Ms. Mason, upon the exercise of outstanding options, (vii) 2,011 shares that can be acquired upon the settlement of vested restricted stock units for Mr. Brown, and (viii) 2,011 shares that can be acquired upon the settlement of vested restricted stock units by Ms. Mason.
- (9) Includes 2,000 shares of common stock that can be acquired upon the exercise of outstanding options and 2,011 shares that can be acquired upon the settlement of vested restricted stock units.
- (10) Includes 28,942 shares of common stock that can be acquired upon the exercise of outstanding options.
- (11) Includes 1,000 shares that can be acquired upon the settlement of vested restricted stock units. Does not include shares of common stock held by the Bain Capital Entities. Mr. Hitch is a Managing Director of BCI and as a result and by virtue of the relationships described in footnote 2 above, may be deemed to share beneficial ownership of the shares held by the Bain Capital

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Entities. The address for Mr. Hitch is c/o Bain Capital Partners, LLC, John Hancock Tower, 200 Clarendon Street, Boston, Massachusetts 02116.

- (12) Includes 1,000 shares that can be acquired upon the settlement of vested restricted stock units. Does not include shares of common stock held by the Bain Capital Entities. Mr. Humphrey is a Managing Director of BCI and as a result, and by virtue of the relationships described in footnote 2 above, may be deemed to share beneficial ownership of the shares held by the Bain Capital Entities. The address for Mr. Humphrey is c/o Bain Capital Partners, LLC, John Hancock Tower, 200 Clarendon Street, Boston, Massachusetts 02116.
- (13) Includes 4,000 shares held by Ms. Kondracke, 5,000 shares held by Morton Kondracke, Ms. Kondracke's spouse, 10,336 shares of common stock that can be acquired upon the exercise of outstanding options, and 2,011 shares that can be acquired upon the settlement of vested restricted stock units.
- (14) Includes 100,336 shares held by the Charles River View Trust dated 12/13/07 and 39,365 shares of common stock that may be acquired by Mr. Kramer upon the exercise of outstanding options.
- (15) Includes 2,011 shares that can be acquired upon the settlement of vested restricted stock units.
- (16) Includes 745,712 shares of common stock that can be acquired upon the exercise of outstanding options.
- (17) Includes (i) 152,288 shares held by the Linda A. Mason Trust dated August 7, 1996, (ii) 8,270 shares held by Ms. Mason, (iii) 1,226 shares held by the Roger H. Brown, Jr. Trust dated August 7, 1996, (iv) 1,235 shares held by Mr. Brown, Ms. Mason's spouse, (v) 69,941 shares that may be acquired by Ms. Mason upon the exercise of outstanding options, (vi) 9,982 shares that may be acquired by Mr. Brown, upon the exercise of outstanding options, (vii) 2,011 shares that can be acquired upon the settlement of vested restricted stock units for Ms. Mason, and (viii) 2,011 shares that can be acquired upon the settlement of vested restricted stock units by Mr. Brown.
- (18) Includes 235,268 shares of common stock that can be acquired upon the exercise of outstanding options.
- (19) Includes 1,357,248 shares of common stock that can be acquired upon the exercise of outstanding options and 15,066 shares that can be acquired upon settlement of vested restricted stock units.

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MATERIAL U.S. FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS

FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a summary of the material U.S. federal income and estate tax considerations relating to the purchase, ownership and disposition of our common stock by Non-U.S. Holders (defined below). This summary does not purport to be a complete analysis of all the potential tax considerations relevant to Non-U.S. Holders. This summary is based upon the Internal Revenue Code, the Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change at any time, possibly on a retroactive basis.

This summary assumes that shares of our common stock are held as capital assets within the meaning of Section 1221 of the Internal Revenue Code (generally, property held for investment). This summary does not purport to deal with all aspects of U.S. federal income and estate taxation that might be relevant to particular Non-U.S. Holders in light of their particular investment circumstances or status, nor does it address specific tax considerations that may be relevant to particular persons (including, for example, financial institutions, broker-dealers, insurance companies, partnerships or other pass-through entities, certain U.S. expatriates, tax-exempt organizations, pension plans, controlled foreign corporations, passive foreign investment companies, corporations that accumulate earnings to avoid U.S. federal income tax, persons in special situations, such as those who have elected to mark securities to market or those who hold common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment, or holders subject to the alternative minimum or the unearned income Medicare contribution tax). In addition, except as explicitly addressed herein with respect to estate tax, this summary does not address estate and gift tax considerations or considerations under the tax laws of any state, local or non-U.S. jurisdiction.

For purposes of this summary, a Non-U.S. Holder means a beneficial owner of common stock that for U.S. federal income tax purposes is not classified as a partnership and is not:

an individual who is a citizen or resident of the United States;

a corporation or any other organization taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate, the income of which is included in gross income for U.S. federal income tax purposes regardless of its source; or

a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of the trust's substantial decisions or (2) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of persons treated as its partners for U.S. federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. Partnerships and other entities that are classified as partnerships for U.S. federal income tax purposes and persons holding our common stock through a partnership or other entity classified as a partnership for U.S. federal income tax purposes are urged to consult their own tax advisors.

There can be no assurance that the Internal Revenue Service (IRS) will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain a ruling from the IRS with respect to the U.S. federal income or estate tax consequences to a Non-U.S. Holder of the purchase, ownership or disposition of our common stock.

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THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO BE TAX ADVICE. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME AND ESTATE TAXATION, STATE, LOCAL AND NON-U.S. TAXATION AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

Distributions on Our Common Stock

As discussed under *Dividend Policy* above, we do not currently intend to pay regular dividends on our common stock. However, we expect to reevaluate our dividend policy on a regular basis following this offering and may, subject to compliance with the covenants contained in our senior secured credit facilities and other considerations, determine to pay dividends in the future. In the event that we do make a distribution of cash or property with respect to our common stock, any such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent of our current and accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will constitute a return of capital and will first reduce the holder's adjusted tax basis in our common stock, but not below zero. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in *Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock*. Any such distribution would also be subject to the discussions below under the sections titled *Additional Withholding and Reporting Requirements* and *Backup Withholding and Information Reporting*.

Dividends paid to a Non-U.S. Holder generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder provides us or the applicable withholding agent, as the case may be, with the appropriate IRS Form W-8, such as:

IRS Form W-8BEN or IRS Form W-8BEN-E (or successor forms) certifying, under penalties of perjury, a reduction in withholding under an applicable income tax treaty, or

IRS Form W-8ECI (or successor form) certifying that a dividend paid on common stock is not subject to withholding tax because it is effectively connected with a trade or business in the United States of the Non-U.S. Holder (in which case such dividend generally will be subject to regular graduated U.S. tax rates as described below).

The certification requirement described above must be provided to us or the applicable withholding agent prior to the payment of dividends and may be required to be updated periodically. The certification also may require a Non-U.S. Holder that provides an IRS form or that claims treaty benefits to provide its U.S. taxpayer identification number. Special certification and other requirements apply in the case of certain Non-U.S. Holders that hold shares of our common stock through intermediaries or are pass-through entities for U.S. federal income tax purposes.

Each Non-U.S. Holder is urged to consult its own tax advisor about the specific methods for satisfying these requirements. A claim for exemption will not be valid if the person receiving the applicable form has actual knowledge or reason to know that the statements on the form are false.

If dividends are effectively connected with a trade or business in the United States of a Non-U.S. Holder (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment), the Non-U.S. Holder, although exempt from the withholding tax described above (provided that the certifications described above are satisfied), generally will be subject to U.S. federal income tax on such dividends on a net income basis in the same manner as if it were a resident of the United States. In addition, if a Non-U.S. Holder is treated as a corporation for U.S. federal income tax purposes, the Non-U.S. Holder may be subject to an additional branch profits tax equal to 30% (unless reduced by an applicable income treaty) of its earnings and profits in respect of such effectively connected dividend income.

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Non-U.S. Holders that do not timely provide us or the applicable withholding agent with the required certification, but which are eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, may obtain a refund or credit of any excess amount withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock

Subject to the discussions below under the sections titled **Additional Withholding and Reporting Requirements** and **Backup Withholding and Information Reporting**, in general, a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on gain realized upon such holder's sale, exchange or other taxable disposition of shares of our common stock unless (i) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met, (ii) we are or have been a United States real property holding corporation, as defined in the Internal Revenue Code (a USRPHC), at any time within the shorter of the five-year period preceding the disposition and the Non-U.S. Holder's holding period in the shares of our common stock, and certain other requirements are met, or (iii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the disposition. If the third exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain on a net income basis in the same manner as if it were a resident of the United States and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to any earnings and profits attributable to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

Generally, a corporation is a USRPHC only if the fair market value of its United States real property interests (as defined in the Internal Revenue Code) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Although there can be no assurance in this regard, we believe that we are not, and do not anticipate becoming, a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our United States real property interests relative to the fair market value of other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we became a USRPHC, a Non-U.S. Holder would not be subject to U.S. federal income tax on a sale, exchange or other taxable disposition of our common stock by reason of our status as USRPHC so long as our common stock is regularly traded on an established securities market at any time during the calendar year in which the disposition occurs and such Non-U.S. Holder does not own and is not deemed to own (directly, indirectly or constructively) more than 5% of our common stock at any time during the shorter of the five-year period ending on the date of disposition and the holder's holding period. However, no assurance can be provided that our common stock will be regularly traded on an established securities market for purposes of the rules described above. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

Additional Withholding and Reporting Requirements

Legislation and related guidance commonly referred to as **FATCA** will impose, in certain circumstances, U.S. federal withholding at a rate of 30% on payments of (a) dividends on our common

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stock and (b) gross proceeds from the sale or other disposition of our common stock on or after January 1, 2017. In the case of payments made to a foreign financial institution as defined under FATCA (including, among other entities, an investment fund), as a beneficial owner or as an intermediary, the tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a FATCA Agreement) or (ii) complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an IGA), in either case to, among other things, collect and provide to the U.S. or other relevant tax authorities certain information regarding U.S. account holders of such institution. In the case of payments made to a foreign entity that is not a foreign financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such foreign entity provides the withholding agent with a certification that it does not have any substantial U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity) or that identifies its substantial U.S. owners. FATCA Agreements and implementing rules may alter the general description above.

Prospective investors should consult their own tax advisors regarding the possible impact of these rules on their investment in our common stock, and the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax under FATCA.

Backup Withholding and Information Reporting

In general, information reporting will apply to distributions on our common stock paid to a Non-U.S. Holder and the tax withheld, if any, with respect to the distributions. Non-U.S. Holders may have to comply with specific certification procedures to establish that the holder is not a United States person (as defined in the Internal Revenue Code) in order to avoid backup withholding at the applicable rate, currently 28%, with respect to dividends on our common stock. Dividends paid to Non-U.S. Holders subject to the U.S. withholding tax, as described above under the section titled Distributions on Our Common Stock, generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally apply to the proceeds of a disposition of our common stock by a Non-U.S. Holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a Non-U.S. Holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a U.S. broker or a foreign broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Prospective investors should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or in which the Non-U.S. Holder is incorporated, under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder can be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

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Federal Estate Tax

Common stock owned (or treated as owned) by an individual who is not a citizen or a resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes unless an applicable estate or other tax treaty provides otherwise, and therefore, may be subject to U.S. federal estate tax.

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UNDERWRITING

The Company, the selling stockholders and the underwriter named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, the underwriter has agreed to purchase the number of shares indicated in the following table.

Underwriter	Number of Shares
Barclays Capital Inc.	3,000,000

Total 3,000,000

The underwriter is committed to take and pay for all of the shares being offered, if any are taken.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriter by the selling stockholders. No underwriting discounts or commissions are payable in respects of the shares being acquired by us.

Paid by the Selling Stockholders

Per Share	\$
Total	\$

Subject to the completion of this offering, we have agreed to purchase 700,000 shares of our common stock that are subject to this offering from the underwriter at a price per share equal to the price per share paid by the underwriter to the selling stockholders in this offering. The closing of the share repurchase is contingent on the closing of this offering.

We have agreed to reimburse the underwriter for certain expenses relating to clearing this offering with the Financial Industry Regulatory Authority, Inc. in the amount up to \$25,000. Shares sold by the underwriter to the public will initially be offered at the public offering price set forth on the cover of this prospectus supplement. Any shares sold by the underwriter to dealers may be sold at such public offering price less a selling concession not in excess of \$ per share. After the initial offering of the shares, the underwriter may change the offering price and the other selling terms. The offering of the shares by the underwriter is subject to receipt and acceptance and subject to the underwriter's right to reject any order in whole or in part.

The Company, its officers and directors and holders of substantially all of the Company's common stock, including the selling stockholders, have agreed with the underwriter, subject to certain exceptions (including contributions to charitable organizations which may freely resell the contributed shares and up to 39,365 shares which may be transferred by directors and officers pursuant to trading plans established prior to the date of this prospectus supplement under Rule 10b5-1 under the Exchange Act), not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus supplement continuing through the date 30 days after the date of this prospectus supplement, except with the prior written consent of the underwriter. This agreement does not apply to any existing employee benefit plans.

In connection with the offering, the underwriter may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriter of a greater number of shares than it is required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. The underwriter must cover any such short positions by purchasing shares in the open market. Stabilizing transactions

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consist of various bids for or purchases of common stock made by the underwriter in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriter for its own accounts, may have the effect of preventing or retarding a decline in the market price of the Company's stock, and may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriter is not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), the underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the underwriter for any such offer; or
- (d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of shares to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate o