

April 28, 2009



## BBSI Announces First Quarter 2009 Operating Results, Financial Guidance for 2Q09 and Conference Call

VANCOUVER, Wash., April 28, 2009 (GLOBE NEWSWIRE) --Barrett Business Services, Inc. (Nasdaq:BBSI) reported today a net loss of \$3.2 million for the first quarter ended March 31, 2009, a decline of \$3.3 million from net income of \$91,000 for the first quarter of 2008. Diluted loss per share for the 2009 first quarter was \$.30, as compared to diluted earnings per share of \$.01 for the same quarter a year ago.

Net revenues for the first quarter ended March 31, 2009 totaled \$51.1 million, a decrease of approximately \$15.1 million or 22.8% from the \$66.2 million for the same quarter in 2008.

| (Unaudited)                                 |                     |          |
|---------------------------------------------|---------------------|----------|
| (\$ in thousands, except per share amounts) |                     |          |
|                                             | First Quarter Ended |          |
|                                             | March 31,           |          |
|                                             | -----               |          |
| Results of Operations                       | 2009                | 2008     |
| -----                                       | -----               | -----    |
| Revenues:                                   |                     |          |
| Staffing services                           | \$24,042            | \$35,819 |
| Professional employer service fees          | 27,030              | 30,375   |
|                                             | -----               | -----    |
| Total revenues                              | 51,072              | 66,194   |
|                                             | -----               | -----    |
| Cost of revenues:                           |                     |          |
| Direct payroll costs                        | 18,069              | 26,383   |
| Payroll taxes and benefits                  | 22,627              | 24,445   |
| Workers' compensation                       | 6,687               | 6,804    |
|                                             | -----               | -----    |
| Total cost of revenues                      | 47,383              | 57,632   |
|                                             | -----               | -----    |
| Gross margin                                | 3,689               | 8,562    |

|                                              |            |        |
|----------------------------------------------|------------|--------|
| Selling, general and administrative expenses | 8,040      | 8,669  |
| Depreciation and amortization                | 386        | 376    |
|                                              | -----      | -----  |
| Loss from operations                         | (4,737)    | (483)  |
| Other income, net                            | 115        | 626    |
|                                              | -----      | -----  |
| (Loss) income before taxes                   | (4,622)    | 143    |
| (Benefit from) provision for income taxes    | (1,448)    | 52     |
|                                              | -----      | -----  |
| Net (loss) income                            | \$ (3,174) | \$ 91  |
|                                              | =====      | =====  |
| Basic (loss) earnings per share              | \$ (.30)   | \$ .01 |
|                                              | =====      | =====  |
| Weighted average basic shares outstanding    | 10,497     | 11,087 |
|                                              | =====      | =====  |
| Diluted (loss) earnings per share            | \$ (.30)   | \$ .01 |
|                                              | =====      | =====  |
| Weighted average diluted shares outstanding  | 10,497     | 11,423 |
|                                              | =====      | =====  |

The Company reports its Professional Employer Organization services ("PEO") revenues on a net basis because it is not the primary obligor for the services provided by the Company's PEO clients to their customers. The gross revenues and cost of revenues information below, although not in accordance with generally accepted accounting principles ("GAAP"), is presented for comparison purposes and because management believes such information is more informative as to the level of the Company's business activity and more useful in managing its operations.

|                                |                     |           |
|--------------------------------|---------------------|-----------|
|                                | (Unaudited)         |           |
|                                | First Quarter Ended |           |
|                                | March 31,           |           |
|                                | -----               |           |
| (in thousands)                 | 2009                | 2008      |
|                                | -----               | -----     |
| Revenues:                      |                     |           |
| Staffing services              | \$ 24,042           | \$ 35,819 |
| Professional employer services | 203,825             | 223,761   |

|                            |          |          |
|----------------------------|----------|----------|
|                            | -----    | -----    |
| Total revenues             | 227,867  | 259,580  |
|                            | -----    | -----    |
| Cost of revenues:          |          |          |
| Direct payroll costs       | 193,556  | 217,853  |
| Payroll taxes and benefits | 22,627   | 24,445   |
| Workers' compensation      | 7,995    | 8,720    |
|                            | -----    | -----    |
| Total cost of revenues     | 224,178  | 251,018  |
|                            | =====    | =====    |
| Gross margin               | \$ 3,689 | \$ 8,562 |
|                            | =====    | =====    |

Gross revenues of \$227.9 million for the first quarter ended March 31, 2009 declined 12.2% from the similar period in 2008.

A reconciliation of non-GAAP gross revenues to net revenues is as follows:

For the first quarters ended March 31, 2009 and 2008:

| (Unaudited)                  |                  |                  |              |                  |          |          |
|------------------------------|------------------|------------------|--------------|------------------|----------|----------|
| Three Months Ended March 31, |                  |                  |              |                  |          |          |
| -----                        |                  |                  |              |                  |          |          |
| Gross Revenue                |                  |                  |              | Net Revenue      |          |          |
| (in thousands)               | Reporting Method | Reclassification |              | Reporting Method |          |          |
| -----                        |                  |                  |              |                  |          |          |
|                              | 2009             | 2008             | 2009         | 2008             | 2009     | 2007     |
| -----                        |                  |                  |              |                  |          |          |
| Revenues:                    |                  |                  |              |                  |          |          |
| Staffing                     |                  |                  |              |                  |          |          |
| services                     | \$ 24,042        | \$ 35,819        | \$ --        | \$ --            | \$24,042 | \$35,819 |
| Professional                 |                  |                  |              |                  |          |          |
| employer                     |                  |                  |              |                  |          |          |
| services                     | 203,825          | 223,761          | (176,795)    | (193,386)        | 27,030   | 30,375   |
|                              | -----            | -----            | -----        | -----            | -----    | -----    |
| Total                        |                  |                  |              |                  |          |          |
| revenues                     | \$227,867        | \$259,580        | \$ (176,795) | \$ (193,386)     | \$51,072 | \$66,194 |

|          |           |           |              |              |          |          |
|----------|-----------|-----------|--------------|--------------|----------|----------|
|          | =====     | =====     | =====        | =====        | =====    | =====    |
| Cost of  |           |           |              |              |          |          |
| revenues | \$224,178 | \$251,018 | \$ (176,795) | \$ (193,386) | \$47,383 | \$57,632 |
|          | =====     | =====     | =====        | =====        | =====    | =====    |

The following summarizes the unaudited consolidated balance sheets at March 31, 2009 and December 31, 2008.

|                                                                     | March 31, | Dec. 31,  |
|---------------------------------------------------------------------|-----------|-----------|
| (in thousands)                                                      | 2009      | 2008      |
|                                                                     | -----     | -----     |
| Assets                                                              |           |           |
| Current assets:                                                     |           |           |
| Cash and cash equivalents                                           | \$ 45,139 | \$ 42,214 |
| Marketable securities                                               | 11,828    | 17,968    |
| Trade accounts receivable, net                                      | 36,379    | 34,389    |
| Prepaid expenses and other                                          | 2,740     | 1,440     |
| Deferred income taxes                                               | 2,373     | 2,373     |
| Workers' compensation receivables for insured claims                | 225       | 225       |
|                                                                     | -----     | -----     |
| Total current assets                                                | 98,684    | 98,609    |
| Marketable securities                                               | 429       | 427       |
| Goodwill, net                                                       | 47,338    | 47,338    |
| Property, equipment and software, net                               | 15,490    | 15,503    |
| Restricted marketable securities and workers' compensation deposits | 3,132     | 2,701     |
| Other assets                                                        | 1,641     | 1,645     |
| Workers' compensation receivables for insured claims                | 3,675     | 3,837     |
|                                                                     | -----     | -----     |
|                                                                     | \$170,389 | \$170,060 |
|                                                                     | =====     | =====     |

#### Liabilities and Stockholders' Equity

Current liabilities:

|                                                                   |           |           |
|-------------------------------------------------------------------|-----------|-----------|
| Accounts payable                                                  | \$ 1,206  | \$ 881    |
| Accrued payroll, payroll taxes and<br>related benefits            | 39,665    | 32,296    |
| Other accrued liabilities                                         | 675       | 902       |
| Workers' compensation claims liabilities                          | 7,891     | 7,186     |
| Workers' compensation claims liabilities<br>for insured claims    | 225       | 225       |
| Safety incentives liabilities                                     | 4,515     | 4,626     |
|                                                                   | -----     | -----     |
| Total current liabilities                                         | 54,177    | 46,116    |
| Customer deposits                                                 | 648       | 706       |
| Long-term workers' compensation claims<br>liabilities             | 5,227     | 5,235     |
| Long-term workers' compensation<br>liabilities for insured claims | 2,396     | 2,438     |
| Deferred income taxes                                             | 2,946     | 4,394     |
| Deferred gain on sale and leaseback                               | 518       | 549       |
| Stockholders' equity                                              | 104,477   | 110,622   |
|                                                                   | -----     | -----     |
|                                                                   | \$170,389 | \$170,060 |
|                                                                   | =====     | =====     |

## Outlook for Second Quarter 2009

The Company also disclosed today limited financial guidance with respect to its operating results for the second quarter ending June 30, 2009. The Company expects gross revenues for the second quarter of 2009 to range from \$235 million to \$240 million, as compared to \$269.5 million for the second quarter of 2008, and anticipates diluted earnings per share for the second quarter of 2009 to range from a loss of \$.03 per share to earnings of \$.03 per share, as compared to diluted earnings per share of \$.29 for the same period a year ago. A reconciliation of estimated gross revenues to estimated GAAP net revenues for the second quarter of 2009 is not included because PEO revenues and cost of PEO revenues for the period are not reasonably estimable.

## Conference Call

On April 29 at 9:00 a.m. Pacific Time, William W. Sherertz, Michael L. Elich and James D. Miller will host an investor telephone conference call to discuss first quarter 2009 operating results. To participate in the call, dial (877) 356-3717. The call identification number is 96414376. The conference call will also be webcast live at [www.barrettbusiness.com](http://www.barrettbusiness.com). To

access the webcast, click on the Investor Relations section of the Web site and select Webcast. A replay of the call will be available beginning Wednesday, April 29, 2009 at 12:00 p.m. PT and ending on Wednesday, May 6, 2009. To listen to the recording, dial (800) 642-1687 and enter conference identification code 96414376.

Statements in this release about future events or performance, including gross revenues and earnings expectations for the second quarter of 2009, are forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Factors that could affect future results include economic conditions in the Company's service areas, the effect of changes in the Company's mix of services on gross margin, the Company's ability to successfully integrate acquired businesses with its existing operations, future workers' compensation claims experience, the effect of changes in the workers' compensation regulatory environment in one or more of its primary markets, the collectibility of accounts receivable and the effect of conditions in the global capital markets on the Company's investment portfolio, among others. Other important factors that may affect the Company's future prospects are described in the Company's 2008 Annual Report on Form 10-K. Although forward-looking statements help to provide complete information about the Company, readers should keep in mind that forward-looking statements may be less reliable than historical information. The Company undertakes no obligation to update or revise forward-looking statements in this release to reflect events or changes in circumstances that occur after the date of this release.

BBSI provides a comprehensive range of human resource management solutions to large and small companies throughout many regions of the United States.

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