

May 5, 1997



Barrett Business Services, Inc. Announces Net Income and Revenues for First Quarter 1997

PORTLAND, Ore., May 5 /PRNewswire/ -- Barrett Business Services, Inc.

(Nasdaq: BBSI) reported today net income of \$830,000 for the first quarter ended March 31, 1997, an increase of \$3,000 over the first quarter of 1996.

Earnings per share for the 1997 first quarter were \$.12, the same amount as the 1996 first quarter.

Revenues for the first quarter ended March 31, 1997 totaled \$62.8 million, an increase of approximately \$19.6 million or 45.4% over the \$43.2 million reported for the same quarter a year ago. The internal growth rate for 1997 first quarter revenues was 25.1%.

	(Unaudited)	
	First quarter Ended	
	March 31,	
Results of Operations	1997	1996
(in thousands, except		
per share amounts)		
Revenues:		
Staffing services	\$ 32,731	\$ 22,629
Professional employer		
services	30,049	20,556
Total revenues	62,780	43,185
Cost of revenues:		
Direct payroll costs	48,039	32,718
Payroll taxes and benefits	6,459	4,334
Workers' compensation	1,855	770

Safety incentives	323	347
Total cost of revenues	56,676	38,169
Gross margin	6,104	5,016
Selling, general and administrative expenses	4,515	3,626
Amortization of intangibles	317	160
Income from operations	1,272	1,230
Other income	78	103
Income before taxes	1,350	1,333
Provision for income taxes	520	506
Net income	\$ 830	\$ 827
Net income per share	\$.12	\$.12
Weighted average shares	6,800	6,787

President and Chief Executive Officer William W. Sherertz commented that,

"We are very pleased with the accelerating growth in revenues and that our operating results were consistent with our expectations."

The following summarizes the unaudited balance sheets at March 31, 1997 and December 31, 1996:

(in thousands)	March 31, 1997	December 31, 1996
Assets		
Cash	\$ 1,615	\$ 1,901
Receivables, net	21,337	19,057
Note receivable	--	324
Prepays and other	1,379	914
Deferred tax asset	1,363	1,279
Total Current assets	25,694	23,475
Intangibles, net	12,894	10,226
Property and equipment, net	3,203	3,111
Restricted marketable securities	5,699	5,707
Other	145	127
	\$47,635	\$42,646

Liabilities and Stockholders' Equity

Current portion of long-term debt	\$ 65	\$ 36
Income taxes payable	515	--
Accounts payable	705	667
Accrued payroll and benefits	9,307	7,354
Accrued workers' compensation		
claims	2,423	2,240
Customer safety incentives	1,029	1,015
Other accrued liabilities	516	606
Total current liabilities	14,560	11,918
Long-term debt, net	849	838
Customer deposits	888	890
Other long-term liabilities	1,616	613
Redeemable common stock	2,825	2,825
Stockholders' equity	26,897	25,562
	\$47,635	\$42,646

Barrett Business Services, Inc. is a human resource management company

with offices in Washington, Oregon, Idaho, California, Arizona, Michigan,

Maryland and Delaware. Barrett reported revenues of \$215.8 million and net

income of \$5.0 million for 1996.

SOURCE Barrett Business Services Inc.

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