

August 4, 1999



Barrett Business Services, Inc. Announces 100% Increase in Earnings for Second Quarter 1999

PORTLAND, Ore., Aug. 4 /PRNewswire/ -- Barrett Business Services, Inc.

(Nasdaq: BBSI) reported today net income of \$1,216,000 for the second quarter ended June 30, 1999, an increase of \$616,000 or 102.7% over the second quarter of 1998. Diluted earnings per share for the 1999 second quarter were \$.16, compared to \$.08 for the same quarter a year ago. 1998 second quarter earnings included pre-tax merger expenses of \$750,000 in connection with the June 1998 merger with Western Industrial Management, Inc.

Revenues for the second quarter ended June 30, 1999 totaled \$84.7 million, an increase of approximately \$8.0 million or 10.5% over the \$76.7 million for the same quarter in 1998.

Results of Operations

(in thousands, except
per share amounts)

(Unaudited)		(Unaudited)	
Second Quarter Ended		Six Months Ended	
June 30,		June 30,	
1999	1998	1999	1998

Revenues:

Staffing services	\$46,185	\$42,786	\$83,414	\$83,090
Professional employer services	38,522	33,865	72,308	62,802
Total revenues	84,707	76,651	155,722	145,892

Cost of revenues:

Direct payroll costs	65,575	59,348	120,738	113,015
Payroll taxes and benefits	7,142	6,629	13,393	13,069
Workers' compensation	2,445	2,211	4,414	4,207
Safety incentives	403	336	720	700

Total cost of revenues	75,565	68,524	139,265	130,991
Gross margin	9,142	8,127	16,457	14,901
Selling, general and administrative expenses	6,551	6,035	12,261	11,851
Merger expenses	--	750	--	750
Amortization of intangibles	434	329	808	682
Income from operations	2,157	1,013	3,388	1,618
Other (expense) income, net	(15)	41	57	110
Income before taxes	2,142	1,054	3,445	1,728
Provision for income taxes	926	454	1,489	741
Net income	\$1,216	\$600	\$1,956	\$987
Basic earnings per share	\$.16	\$.08	\$.26	\$.13
Weighted average basic shares outstanding	7,581	7,666	7,624	7,652
Diluted earnings per share	\$.16	\$.08	\$.26	\$.13
Weighted average diluted shares outstanding	7,624	7,722	7,666	7,707

Certain 1998 amounts have been reclassified to conform with the 1999 presentation. Such reclassifications had no impact on gross margin, net income or stockholders' equity.

The following summarizes the unaudited balance sheets at June 30, 1999 and December 31, 1998:

(\$ in thousands)	June 30, 1999	December 31, 1998
Assets		
Current assets:		
Cash and cash equivalents	\$945	\$4,029
Trade accounts receivable, net	30,145	21,907
Prepaid expenses and other	1,694	1,103
Deferred tax assets	1,761	1,857
Total current assets	34,545	28,896
Intangibles, net	23,116	11,508
Property and equipment, net	6,132	5,184

Restricted marketable securities		
and workers' compensation deposits	6,364	6,004
Deferred tax assets	716	552
Other assets	1,076	626
	\$71,949	\$52,770
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable	\$1,105	\$--
Current portion of long-term debt	2,782	61
Line of credit payable	2,541	--
Income taxes payable	--	438
Accounts payable	1,706	948
Accrued payroll, payroll taxes		
and related benefits	15,744	9,246
Accrued workers' compensation claim liabilities	2,769	3,244
Customer safety incentives payable	1,112	1,173
Other accrued liabilities	447	514
Total current liabilities	28,206	15,624
Long-term debt, net of current portion	5,632	503
Customer deposits	798	829
Long-term workers' compensation liabilities	706	714
Other long-term liabilities	1,691	1,398
Stockholders' equity	34,916	33,702
	\$71,949	\$52,770

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

with offices in eleven states. For 1998, Barrett reported revenues of

\$303.0 million and net income of \$3.8 million.

SOURCE Barrett Business Services, Inc.

Web site: <http://www.barrettbusiness.com>

Company News On-Call: <http://www.prnewswire.com/comp/082187.html> or fax, 800-758-5804, ext. 082187

CONTACT: William W. Sherertz, President and Chief Executive Officer of Barrett Business Services, Inc., 503-220-0988