

February 7, 2001



Barrett Business Services, Inc. Announces Fourth Quarter 2000 Earnings And Revenues and Schedules Investor Conference Call to Discuss Operating Results

PORTLAND, Ore., Feb. 7 /PRNewswire/ --

Barrett Business Services, Inc. (Nasdaq: BBSI) reported today net income of \$63,000 for the fourth quarter ended December 31, 2000. Basic and diluted earnings per share for the 2000 fourth quarter were \$.01, as compared to basic and diluted earnings per share of \$.18 for the 1999 fourth quarter. Net income for the year ended December 31, 2000 amounted to \$2,101,000. Basic and diluted earnings per share for 2000 were \$.29, compared to \$.68 for basic and diluted earnings per share for 1999.

Revenues for the fourth quarter ended December 31, 2000 totaled \$68.1 million, a decrease of approximately \$28.2 million or 29.3% from \$96.3 million for the same quarter in 1999. Revenues for the year ended December 31, 2000 were \$322.5 million, a decline of \$25.4 million or 7.3% from 1999.

(in thousands, except

per share amounts)

(Unaudited)

Results of Operations

Fourth Quarter Ended

December 31,

2000

1999

Year Ended

December 31,

2000

1999

Revenues:

Staffing services	\$39,154	\$55,142	\$188,500	\$194,991
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Professional employer services	28,944	41,111	133,966	152,859
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Total revenues	68,098	96,253	322,466	347,850
Cost of revenues:				
Direct payroll costs	52,991	75,024	251,015	270,049
Payroll taxes and benefits	5,219	7,590	27,007	28,603
Workers' compensation	3,378	3,545	12,639	11,702
Total cost of revenues	61,588	86,159	290,661	310,354
Gross margin	6,510	10,094	31,805	37,496
Selling, general and administrative expenses	5,506	7,011	24,583	25,942
Depreciation and amortization	819	692	3,192	2,476
Income from operations	185	2,391	4,030	9,078
Other (expense) income, net	(78)	(165)	(483)	(245)
Income before taxes	107	2,226	3,547	8,833
Provision for income taxes	44	867	1,446	3,684
Net income	\$63	\$1,359	\$2,101	\$5,149
Basic earnings per share	\$.01	\$.18	\$.29	\$.68
Weighted average basic shares outstanding	6,838	7,495	7,237	7,581
Diluted earnings per share	\$.01	\$.18	\$.29	\$.68
Weighted average diluted shares outstanding	6,864	7,541	7,277	7,627

The following summarizes the unaudited balance sheets at December 31, 2000
and December 31, 1999:

(\$ in thousands)	December 31,	
	2000	1999
Assets		
Current assets:		
Cash and cash equivalents	\$516	\$550
Trade accounts receivable, net	20,660	30,216
Prepaid expenses and other	1,222	1,219
Deferred tax assets	2,702	1,658
Total current assets	25,100	33,643
Intangibles, net	20,982	21,945

Property, equipment and software, net	7,177	7,027
Restricted marketable securities and workers' compensation deposits	4,254	6,281
Unrestricted marketable securities	1,386	--
Deferred tax assets	839	712
Other assets	1,374	1,132
	\$61,112	\$70,740

Liabilities and Stockholders' Equity

Current liabilities:

Notes payable	\$--	\$865
Current portion of long-term debt	2,939	2,783
Line of credit payable	2,628	4,882
Accounts payable	1,013	1,356
Accrued payroll, payroll taxes and related benefits	7,893	11,437
Workers' compensation claim and safety incentive liabilities	5,274	4,219
Other accrued liabilities	1,622	413
Total current liabilities	21,369	25,955
Long-term debt, net of current portion	1,508	4,232
Customer deposits	614	815
Long-term workers' compensation liabilities	682	699
Other long-term liabilities	2,022	1,710
Stockholders' equity	34,917	37,329
	\$61,112	\$70,740

The decline in net income for the fourth quarter of 2000 compared to the same quarter a year ago was primarily due to a 29% decline in revenues, coupled with a reduction in gross margin percent, as a result of higher workers' compensation expense, expressed as a percent of revenues. Although selling, general and administrative expenses were reduced 21.5% from a year ago, such expenses increased from 7.3% to 8.1% as a percent of revenues.

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

that: "Our revenue trends reflect the varying economic conditions of the five distinct geographic areas in which we operate. The decline in our revenues was due to a downturn in the business conditions of our customers and, in part, to the continuation of a tight labor market in Southern California. The supply constraint issue in 2000 is now easing, particularly in the Northwest. Revenues for 2000 were also negatively affected by the Company's decision to terminate its relationship with certain customers due to unacceptable profit margins or risks associated with credit or workplace safety. Management is continuing to increase the Company's rates for its services within competitive constraints and to further reduce SG&A expenses to improve profitability in 2001."

On Thursday, February 8, 2001, at 8:00 a.m. (Pacific) and 11:00 a.m. (Eastern), William W. Sherertz will host an investor telephone conference call to discuss fourth quarter 2000 operating results.

To participate in the call, dial 800-399-3080 shortly before 8:00 a.m. Pacific time on Thursday, February 8, 2001. If you are unable to participate in the call, a recording of the call will be available beginning Thursday, February 8, 2001 at 12 noon (Pacific) and ending Thursday, February 15, 2001 at 12 noon (Pacific). To listen to the recording, enter conference identification code 966445.

Statements in this release about future events or performance 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, and

future workers' compensation claims experience, among others. 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.

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, 503-220-0988