

March 12, 2012



BBSI to Repurchase Approximately 30% of Outstanding Common Shares for \$59.7 Million

To Acquire 2.5 Million Shares From the Estate of William W. Sherertz and 500,000 Shares From Nancy Sherertz

VANCOUVER, WA -- (MARKET WIRE) -- 03/12/12 -- Barrett Business Services, Inc. (BBSI) (NASDAQ: BBSI), a leading provider of business management solutions, has entered into definitive agreements to acquire 2,485,929 shares of BBSI common stock from the Estate of William W. Sherertz, which represents all the shares held by the Estate, as well as 500,000 common shares from Nancy Sherertz. The transactions are expected to close as soon as practicable, and no later than April 6, 2012.

The company will use a combination of \$24.9 million in cash and nonconvertible, non-voting, redeemable preferred stock for an aggregate purchase price of approximately \$59.7 million, or \$20.00 per share, to be allocated to the sellers pro rata. Following the completion of the transactions, BBSI expects to have approximately 7.0 million common shares outstanding and \$34.8 million in nonconvertible, non-voting, redeemable preferred stock based on liquidation preference, as well as \$56.9 million in cash and investments.

The initial dividend rate on the preferred shares will be 5% per annum, payable at the company's option in cash or additional shares of preferred stock. The dividend rate will increase by 2% annually beginning April 1, 2013 until all the preferred shares have been redeemed. The preferred shares may be redeemed at any time at the company's option and will be subject to mandatory redemption in five years.

"Based upon current market valuations, available strategic options and expected future cash flows, we believe this repurchase of approximately 30% of our company's outstanding common shares, a majority of which have been outside the public float, will be accretive for our shareholders," said Michael Elich, president and CEO of BBSI. "The combination of expected cash flows as well as our cash balance will allow us to continue to support our plans for investment in our infrastructure and growth initiatives. With this change in our capital structure, we feel well-positioned and highly confident in our growth prospects for 2012 and our ability to drive shareholder value."

Roth Capital Partners is acting as financial advisor to BBSI and Miller Nash LLP is representing the company as its legal counsel.

Conference Call

BBSI will host a conference call on Monday, March 12, 2012 at 10:00 a.m. Eastern time (7:00 a.m. Pacific) to discuss the share repurchase in further detail. The company's President and CEO Michael Elich and CFO James Miller will host the call, which will be

followed by a question and answer period.

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Liolios Group at 1-949-574-3860.

Date: Monday, March 12, 2012

Time: 10:00 a.m. Eastern time (7:00 a.m. Pacific)

Dial-In Number: 1-877-941-8416

International Number: 1-480-629-9808

Conference ID#: 4523615

The conference call will be broadcast live and available for replay at <http://viaavid.net/dce.aspx?sid=000094D7> and via the investor relations section of the company's website at www.barrettbusiness.com.

A replay of the call will be available after 1:00 p.m. Eastern time on the same day and until April 12, 2012.

Toll-free replay number: 1-877-870-5176

International replay number: 1-858-384-5517

Replay pin number: 4523615

About BBSI

BBSI (NASDAQ: BBSI) is a leading provider of business management solutions, combining human resource outsourcing and professional management consulting to create a unique operational platform that differentiates it from competitors. The company's integrated platform is built upon expertise in payroll processing, employee benefits, workers' compensation coverage, risk management and workplace safety programs, and human resource administration. BBSI's partnerships help businesses of all sizes improve the efficiency of their operations. BBSI works with more than 3,000 clients across all lines of business in 23 states. For more information, please visit www.barrettbusiness.com.

Forward-Looking Statements

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 actual events or performance to be materially different from any future events or results expressed or implied by such forward-looking statements. Factors that could affect future events or results include unexpected difficulties completing the described transactions, the effects of changes in economic or other market conditions nationally or in the Company's service areas, the Company's ability to retain current customers and attract new customers, future workers' compensation claims experience, the effect of changes in the workers' compensation regulatory environment in one or more of the Company's primary markets, and the effect of any changes in conditions in the global capital markets, among others. Other important factors that may affect events or the Company's future prospects are described in the Company's 2010 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 are 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.

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Source: Barrett Business Services, Inc.