

August 4, 1997



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

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

(Nasdaq: BBSI) reported today net income of \$1,254,000 for the second quarter ended June 30, 1997. Earnings per share for the 1997 second quarter were \$.19, the same amount as the 1996 second quarter. Net income for the six months ended June 30, 1997 amounted to \$2,084,000. Earnings per share for the 1997 six-month period were \$.31, the same amount as 1996.

Revenues for the second quarter ended June 30, 1997 totaled \$70.5 million, an increase of approximately \$18.6 million or 35.8% over the same quarter a year ago. Revenues for the six months ended June 30, 1997 were \$133.2 million, an increase of 40.2% over the comparable 1996 period. The internal growth rates of revenues were 25.1% for both the 1997 second quarter and six-month period ended June 30, 1997.

	(Unaudited)		(Unaudited)	
	Second Quarter		Six Months	
	Ended		Ended	
	June 30,		June 30,	
Results of Operations	1997	1996	1997	1996
(in thousands, except per share amounts)				
Revenues:				
Staffing services	\$38,403	\$27,091	\$71,134	\$49,719
Professional employer services	32,052	24,780	62,101	45,337
	70,455	51,871	133,235	95,056

Cost of revenues:

Direct payroll costs	54,164	39,160	102,203	71,878
Payroll taxes and benefits	6,794	4,989	13,253	9,322
Workers' compensation	1,973	1,213	3,828	1,983
Safety incentives	381	362	704	709
	63,312	45,724	119,988	83,892
Gross margin	7,143	6,147	13,247	11,164
Selling, general and administrative expenses	4,857	3,939	9,372	7,567
Amortization of intangibles	275	209	592	369
Income from operations	2,011	1,999	3,283	3,228
Other income	45	106	123	210
Income before taxes	2,056	2,105	3,406	3,438
Provision for income taxes	802	800	1,322	1,306
Net income	\$1,254	\$1,305	\$2,084	\$2,132
Primary earnings per share	\$.19	\$.19	\$.31	\$.31
Primary weighted average number of common stock equivalent shares outstanding	6,736	6,978	6,768	6,883

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

"We are very pleased with our results for the quarter. The strong growth in revenues has enabled us to continue to increase our reserves for workers' compensation."

The following summarizes the unaudited balance sheets at June 30, 1997 and December 31, 1996:

(\$ in thousands)	June 30,	Dec. 31,
	1997	1996
Assets		
Cash	\$459	\$1,901
Receivables, net	22,686	19,057
Note receivable	--	324
Prepays and other	1,485	914

Deferred tax asset	1,433	1,279
Total current assets	26,063	23,475
Intangibles, net	12,785	10,226
Property and equipment, net	3,641	3,111
Restricted marketable securities	6,074	5,707
Other	143	127
	\$48,706	\$42,646
Liabilities and Stockholders' Equity		
Advances on credit line	\$1,896	\$ --
Current portion of long-term debt	70	36
Income taxes payable	223	--
Accounts payable	715	667
Accrued payroll and benefits	9,967	7,354
Accrued workers' compensation claims	2,488	2,240
Customer safety incentives	1,005	1,015
Other accrued liabilities	559	606
Total current liabilities	16,923	11,918
Long-term debt, net	819	838
Customer deposits	939	890
Long-term workers' compensation claims	608	613
Other long-term liabilities	1,014	--
Redeemable common stock	--	2,825
Stockholders' equity	28,403	25,562
	\$48,706	\$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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