

May 6, 1998



Barrett Business Services, Inc. Announces Net Income and Revenues For First Quarter 1998

PORTLAND, Ore., May 6 /PRNewswire/ -- Barrett Business Services, Inc.

(Nasdaq: BBSI) reported today net income of \$323,000 for the first quarter ended March 31, 1998, a decrease of \$507,000 from the first quarter of 1997.

Basic and diluted earnings per share for the 1998 first quarter were \$.05, compared to \$.12 for both basic and diluted earnings per share for the same quarter a year ago.

Revenues for the first quarter ended March 31, 1998 totaled \$62.8 million, an increase of approximately \$.7 million or 1.1% over the \$62.1 million reported for the same quarter a year ago. The internal growth rate for 1998 first quarter revenues was .5%.

	(Unaudited)	
	First Quarter Ended	
	March 31,	
Results of Operations	1998	1997
(in thousands, except per share amounts)		
Revenues:		
Staffing services	\$34,511	\$32,436
Professional employer services	28,254	29,650
Total revenues	62,765	62,086
Cost of revenues:		
Direct payroll costs	48,926	47,807
Payroll taxes and benefits	5,808	5,997

Workers' compensation	1,866	1,855
Safety incentives	364	323
Total cost of revenues	56,964	55,982
Gross margin	5,801	6,104
Selling, general and administrative expenses	5,021	4,515
Amortization of intangibles	341	317
Income from operations	439	1,272
Other income	99	78
Income before taxes	538	1,350
Provision for income taxes	215	520
Net income	\$323	\$830
Basic earnings per share	\$.05	\$.12
Weighted average basic shares	6,744	6,800
Diluted earnings per share	\$.05	\$.12
Weighted average diluted shares	6,798	6,997

The following summarizes the unaudited balance sheets at March 31, 1998
and December 31, 1997:

(\$ in thousands)	March 31, 1998	December 31, 1997
Assets		
Cash	\$3,435	\$3,380
Receivables, net	20,551	19,366
Prepays and other	1,476	1,080
Deferred tax asset	2,002	1,926
Total current assets	27,464	25,752
Intangibles, net	11,753	12,094
Property and equipment, net	4,489	4,263
Restricted marketable securities	6,013	6,095
Other assets	200	206
	\$49,919	\$48,410

Liabilities and Stockholders' Equity

Current portion of long-term debt	\$312	\$323
Income taxes payable	54	--
Accounts payable	846	801
Accrued payroll and benefits	10,505	9,403
Accrued workers' compensation claims	3,094	3,140
Customer safety incentives	1,070	1,073
Other accrued liabilities	378	399
Total current liabilities	16,259	15,139
Long-term debt, net	520	531
Customer deposits	882	934
Long-term workers' compensation liabilities	728	632
Other long-term liabilities	1,038	1,030
Stockholders' equity	30,492	30,144
	\$49,919	\$48,410

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

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

Maryland and Delaware. For 1997, Barrett reported revenues of \$281.0 million

and net income of \$3.8 million.

SOURCE Barrett Business Services Inc.

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

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