

February 6, 2002



Barrett Business Services, Inc. Announces Fourth Quarter 2001 Operating Results and Schedules Investor Conference Call to Discuss Operating Results

PORTLAND, Ore., Feb. 6 /PRNewswire-FirstCall/ --

Barrett Business Services, Inc. (Nasdaq: BBSI) reported today a net loss of \$432,000 for the fourth quarter ended December 31, 2001, as compared to net income of \$63,000 for the fourth quarter of 2000. The net loss for the 2001 fourth quarter included a \$600,000 pre-tax charge for anticipated future increases in the cost of existing workers' compensation claims, as recommended by the Company's external actuaries and independent accountants. Basic and diluted net loss per share for the 2001 fourth quarter were \$.07, as compared to basic and diluted earnings per share of \$.01 for the 2000 fourth quarter.

Cash flow per share (defined as net (loss) income plus depreciation and amortization divided by weighted average diluted shares outstanding) for the 2001 fourth quarter totaled a positive \$.06, as compared to a positive \$.13 for the same quarter a year ago. Net loss for the year ended December 31, 2001 amounted to \$585,000. Basic and diluted net loss per share for 2001 were \$.09. Cash flow per share for 2001 was a positive \$.43 as compared to a positive \$.73 for 2000.

Revenues for the fourth quarter ended December 31, 2001 totaled \$50.7 million, a decrease of \$17.4 million or 25.6% from the \$68.1 million for the same quarter in 2000. Revenues for 2001 totaled \$216.7 million, a decline of \$105.8 million or 32.8% from 2000.

William W. Sherertz, President and Chief Executive Officer, commented that: "2001 and particularly the fourth quarter were difficult from a workers' compensation expense standpoint. Internally, we are very focused on reducing the operational issues which have contributed to these trends. We take pride in effectively managing this dynamic operating cost for the benefit of all our customers. In spite of a tough economic climate, we are pleased that we have continued to balance SG&A expenses with our revenues and gross margin, so as to continue to generate relatively strong cash flow from operations. In response to our ongoing challenge to maintain revenues, especially in Northern California and Portland, we have added talented new management in these regions."

	(Unaudited)		(Unaudited)	
	Fourth Quarter Ended		Year Ended	
	December 31,		December 31,	
Results of Operations	2001	2000	2001	2000
(in thousands, except per share amounts)				
Revenues:				
Staffing services	\$28,351	\$39,154	\$123,110	\$188,500
Professional employer services	22,326	28,944	93,553	133,966
Total revenues	50,677	68,098	216,663	322,466
Cost of revenues:				
Direct payroll costs	39,368	52,991	168,022	251,015
Payroll taxes and benefits	3,841	5,219	17,635	27,007
Workers' compensation	3,077	3,378	10,121	12,639
Total cost of revenues	46,286	61,588	195,778	290,661
Gross margin	4,391	6,510	20,885	31,805
Selling, general and administrative expenses				
	4,318	5,506	18,587	24,583
Depreciation and amortization	808	819	3,277	3,192
(Loss) income from operations	(735)	185	(979)	4,030

Other income (expense), net	6	(78)	(17)	(483)
(Loss) income before taxes	(729)	107	(996)	3,547
(Benefit from) provision				
for income taxes	(297)	44	(411)	1,446
Net (loss) income	\$ (432)	\$63	\$ (585)	\$2,101
Basic (loss) earnings				
per share	\$ (.07)	\$.01	\$ (.09)	\$.29
Weighted average basic				
shares outstanding	5,969	6,838	6,193	7,237
Diluted (loss) earnings				
per share	\$ (.07)	\$.01	\$ (.09)	\$.29
Weighted average diluted				
shares outstanding	5,969	6,864	6,193	7,277
Cash flow per share	\$.06	\$.13	\$.43	\$.73

The following summarizes the unaudited balance sheets at
December 31, 2001 and December 31, 2000.

	December 31,	
(\$ in thousands)	2001	2000
Assets		
Current assets:		
Cash and cash equivalents	\$1,142	\$516
Trade accounts receivable, net	13,910	20,660
Prepaid expenses and other	1,316	1,222
Deferred tax assets	2,515	2,702
Total current assets	18,883	25,100
Intangibles, net	18,878	20,982
Property, equipment and software, net	6,084	7,177
Restricted marketable securities and workers'		
compensation deposits	4,139	4,254
Unrestricted marketable securities	1,286	1,386
Deferred tax assets	1,156	839
Other assets	1,385	1,374
	\$51,811	\$61,112

Liabilities and Stockholders' Equity

Current liabilities:

Current portion of long-term debt	\$508	\$ 2,939
Line of credit payable	3,424	2,628
Accounts payable	686	1,013
Accrued payroll, payroll taxes and related benefits	5,539	7,893
Workers' compensation claim and safety incentive liabilities	5,735	5,274
Other accrued liabilities	319	1,622
Total current liabilities	16,211	21,369
Long-term debt, net of current portion	347	1,508
Customer deposits	520	614
Long-term workers' compensation liabilities	665	682
Other long-term liabilities	2,071	2,022
Stockholders' equity	31,997	34,917
	\$51,811	\$61,112

On Friday, February 8, 2002, at 9:00 a.m. Pacific Time,

William W. Sherertz will host an investor telephone conference call to discuss

fourth quarter 2001 operating results. To participate in the call, dial

800-399-3080 shortly before 9:00 a.m. Pacific Time on February 8, 2002. A

recording of the call will be available beginning Friday, February 8, 2002 at

12 noon and ending Friday, February 15, 2002 at 12 noon. To listen to the

recording, dial 800-642-1687 and enter conference identification code 3201527.

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

with offices in ten states which serve customers in approximately 15 states.

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.

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CONTACT: William W. Sherertz, President and Chief Executive Officer of Barrett Business Services, Inc., +1-503-220-0988