

July 24, 2013



# TrueBlue Reports 2013 Second Quarter Results

TACOMA, Wash.--(BUSINESS WIRE)-- TrueBlue, Inc. (NYSE:TBI) today reported revenue for the second quarter of 2013 of \$422 million, an increase of 19 percent compared to revenue of \$354 million for the second quarter of 2012. Net income for the quarter was \$12.5 million or \$0.31 per diluted share, compared to net income of \$10.3 million or \$0.26 per diluted share for the second quarter of 2012.

"We are pleased with the double-digit year-over-year revenue growth we experienced this quarter," TrueBlue CEO Steve Cooper said. "Overall, demand for our specialized blue-collar staffing solutions grew across most industries and locations."

TrueBlue acquired MDT Personnel in the first quarter of 2013 and its integration into the company is now complete, Cooper said.

"Our teams have combined very well and I'm pleased with the way they have engaged our customers," he said. "We've been successful in retaining customers and penetrating more deeply into the market."

Cooper added that TrueBlue is optimistic about the company's growth prospects. "Favorable trends in the staffing industry, along with the strength of our organic and acquisition growth strategies, give us confidence that we're on track to deliver long-term shareholder value. With both the anticipated revenue decline in a large project and MDT integration costs mostly behind us, we expect to see higher levels of profit growth during the remainder of the year."

TrueBlue estimates revenue in the range of \$450 million to \$460 million and net income per diluted share of \$0.44 to \$0.49 for the third quarter of 2013.

Management will discuss second quarter 2013 results on a conference call at 2 p.m. Pacific Standard Time (5 pm. Eastern Standard Time), today, Wednesday, July 24. The conference call can be accessed on TrueBlue's web site: [www.trueblue.com](http://www.trueblue.com)

## About TrueBlue

TrueBlue (NYSE: TBI) is the leading provider of blue-collar staffing and helps over 140,000 businesses be more productive through easy access to dependable temporary labor. TrueBlue provides specialized blue-collar staffing solutions to industries that include construction, manufacturing, transportation, aviation, waste, hospitality, retail, renewable energy and more. Through its Labor Ready, CLP, Spartan Staffing, PlaneTechs, and Centerline service lines, TrueBlue connects approximately 350,000 people to work annually across the U.S., Canada and Puerto Rico. Learn more about TrueBlue at [www.trueblue.com](http://www.trueblue.com).

## Forward-looking Statements

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “will,” “should,” “expects,” “intends,” “projects,” “plans,” “believes,” “estimates,” “targets,” “anticipates,” and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements relating to our future financial condition and operating results, as well as any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based on our current expectations and assumptions, which may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Many factors could cause actual results to differ materially and adversely from these forward-looking statements. Examples of such factors can be found in our reports filed with the SEC, including the information under the heading ‘Risk Factors’ in our Annual Report on Form 10-K for the fiscal year ended Dec. 28, 2012 and in our quarterly reports on Form 10-Q subsequently filed. Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

**TRUEBLUE, INC.**  
**SUMMARY CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(Unaudited, in thousands, except per share data)*

	<b>13 Weeks Ended</b>		<b>26 Weeks Ended</b>	
	<b>June 28, 2013</b>	<b>June 29, 2012</b>	<b>June 28, 2013</b>	<b>June 29, 2012</b>
Revenue from services	<b>\$422,310</b>	\$354,261	<b>\$768,809</b>	\$665,448
Cost of services	<b>310,437</b>	260,725	<b>570,296</b>	492,677
Gross profit	<b>111,873</b>	93,536	<b>198,513</b>	172,771
Selling, general and administrative expenses	<b>89,339</b>	71,526	<b>177,771</b>	143,610
Depreciation and amortization	<b>5,203</b>	4,729	<b>10,362</b>	9,496
Income from operations	<b>17,331</b>	17,281	<b>10,380</b>	19,665
Interest and other income, net	<b>275</b>	412	<b>752</b>	677
Income before tax expense (benefit)	<b>17,606</b>	17,693	<b>11,132</b>	20,342
Income tax expense (benefit)	<b>5,069</b>	7,356	<b>(330)</b>	8,475
Net income	<b>\$ 12,537</b>	\$ 10,337	<b>\$ 11,462</b>	\$ 11,867
Net income per common share				
Basic	<b>\$ 0.31</b>	\$ 0.26	<b>\$ 0.29</b>	\$ 0.30
Diluted	<b>\$ 0.31</b>	\$ 0.26	<b>\$ 0.28</b>	\$ 0.30
Weighted average shares outstanding				
Basic	<b>40,140</b>	39,701	<b>39,962</b>	39,563
Diluted	<b>40,421</b>	40,097	<b>40,248</b>	39,993

**TRUEBLUE, INC.**  
**SUMMARY CONSOLIDATED BALANCE SHEETS**  
*(Unaudited, in thousands)*

	<b>June 28, 2013</b>	<b>December 28, 2012</b>
Assets		

Current assets		
Cash and cash equivalents	<b>\$136,004</b>	<b>\$ 129,513</b>
Accounts receivable, net	<b>199,315</b>	<b>167,292</b>
Other current assets	<b>20,884</b>	<b>20,361</b>
Total current assets	<b>356,203</b>	<b>317,166</b>
Property and equipment, net	<b>56,314</b>	<b>58,171</b>
Restricted cash and investments	<b>134,052</b>	<b>136,259</b>
Other assets, net	<b>129,119</b>	<b>90,147</b>
Total assets	<b>\$675,688</b>	<b>\$ 601,743</b>
Liabilities and shareholders' equity		
Current liabilities	<b>\$127,272</b>	<b>\$ 113,556</b>
Long-term liabilities	<b>194,924</b>	<b>154,513</b>
Total liabilities	<b>322,196</b>	<b>268,069</b>
Shareholders' equity	<b>353,492</b>	<b>333,674</b>
Total liabilities and shareholders' equity	<b>\$675,688</b>	<b>\$ 601,743</b>

**TRUEBLUE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Unaudited, in thousands)*

	<b>26 Weeks Ended</b>	
	<b>June 28, 2013</b>	<b>June 29, 2012</b>
Cash flows from operating activities		
Net income	<b>\$ 11,462</b>	<b>\$ 11,867</b>
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	<b>10,362</b>	<b>9,496</b>
Provision for doubtful accounts	<b>6,415</b>	<b>2,022</b>
Stock-based compensation	<b>4,594</b>	<b>4,846</b>
Deferred income taxes	<b>(2,564)</b>	<b>(15)</b>
Other operating activities	<b>848</b>	<b>972</b>
Changes in operating assets and liabilities, net of acquisitions		
Accounts receivable	<b>(8,528)</b>	<b>(11,938)</b>
Income taxes	<b>(143)</b>	<b>4,488</b>
Other assets	<b>341</b>	<b>2,084</b>
Accounts payable and other accrued expenses	<b>(7,496)</b>	<b>(3,173)</b>
Accrued wages and benefits	<b>7,053</b>	<b>5,949</b>
Workers' compensation claims reserve	<b>1,583</b>	<b>882</b>
Other liabilities	<b>186</b>	<b>277</b>
Net cash provided by operating activities	<b>24,113</b>	<b>27,757</b>
Cash flows from investing activities		
Capital expenditures	<b>(7,200)</b>	<b>(9,535)</b>
Acquisition of businesses, net of cash acquired	<b>(54,873)</b>	<b>-</b>
Change in restricted cash and cash equivalents	<b>3,709</b>	<b>9,774</b>
Purchases of restricted investments	<b>(6,789)</b>	<b>(18,153)</b>
Maturities of restricted investments	<b>10,871</b>	<b>12,726</b>
Other	<b>-</b>	<b>-</b>
Net cash used in investing activities	<b>(54,282)</b>	<b>(5,188)</b>
Cash flows from financing activities		
Purchases and retirement of common stock	<b>-</b>	<b>(3,990)</b>
Net proceeds from stock option exercises and employee stock purchase plans	<b>6,023</b>	<b>3,142</b>
Common stock repurchases for taxes upon vesting of restricted stock	<b>(2,182)</b>	<b>(1,996)</b>
Proceeds from note payable	<b>34,000</b>	<b>-</b>
Payments on debt	<b>(1,115)</b>	<b>(88)</b>
Other	<b>478</b>	<b>556</b>

Net cash provided by (used in) financing activities	<u>37,204</u>	<u>(2,376)</u>
Effect of exchange rates on cash	<u>(544)</u>	<u>(58)</u>
Net change in cash and cash equivalents	6,491	20,135
CASH AND CASH EQUIVALENTS, beginning of period	<u>129,513</u>	<u>109,311</u>
CASH AND CASH EQUIVALENTS, end of period	<u><u>\$136,004</u></u>	<u><u>\$129,446</u></u>

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Source: TrueBlue, Inc.