May 2, 2002

Barrett Business Services, Inc. Announces First Quarter 2002 Operating Results And Schedules Investor Conference Call

PORTLAND, Ore., May 2 /PRNewswire-FirstCall/ --

Barrett Business Services, Inc. (Nasdaq: BBSI) reported today a net loss of $417,000 for the first quarter ended March 31, 2002, a decline of $206,000 from a net loss of $211,000 for the first quarter of 2001. Basic and diluted loss per share for the 2002 first quarter were $(.07), as compared to basic and diluted loss per share of $(.03) for the 2001 first quarter. Cash flow per share (defined as net (loss) income plus depreciation and amortization divided by weighted average diluted shares outstanding) for the 2002 first quarter totaled $(.02), as compared to a positive $.10 for the same quarter a year ago.

Revenues for the first quarter ended March 31, 2002 totaled $41.0 million, a decrease of approximately $14.2 million or 25.7% from the $55.2 million for the same quarter in 2001.

	(Unaudited)	
	First Quarter Ended	
	March 31,	
Results of Operations	2002	2001
(in thousands, except per share amounts)		
Revenues:		
Staffing services	$22,570	$31,272
Professional employer services	18,395	23,881
Total revenues	40,965	55,153
Cost of revenues:		

Direct payroll costs	31,861	42,760
Payroll taxes and benefits	3,692	4,874
Workers' compensation	1,625	2,177
Total cost of revenues	37,178	49,811
Gross margin	3,787	5,342
Selling, general and administrative expenses	4,199	4,876
Depreciation and amortization	312	829
Loss from operations	(724)	(363)
Other income, net	11	7
Loss before taxes	(713)	(356)
Benefit from income taxes	(296)	(145)
Net loss	$(417)	$(211)
Basic loss per share	$(.07)	$(.03)
Weighted average basic shares outstanding	5,821	6,400
Diluted loss per share	$(.07)	$(.03)
Weighted average diluted shares outstanding	5,821	6,400
Cash flow per share	$(.02)	$.10

As a result of the Company's adoption of Statement of Financial Accounting Standard No. 142 -- Goodwill and Other Intangible Assets as of January 1, 2002, the Company has ceased the amortization of goodwill. Operating results for the first quarter of 2001 included $438,000 of goodwill amortization.

William W. Sherertz, President and Chief Executive Officer, commented that: "The sequential decline in quarterly revenues appears to have stabilized during the first quarter of 2002. In spite of disappointing operating results, we have continued to strengthen our management team throughout all of our operating zones and, as such, we believe the Company is well positioned to take advantage of a potential improvement in general economic conditions in the quarters ahead."

The following summarizes the unaudited balance sheets at March 31, 2002 and December 31, 2001.

($ in thousands)

	March 31, 2002	December 31, 2001
Assets		
Current assets:		
Cash and cash equivalents	$516	$ 1,142
Trade accounts receivable, net	12,908	13,760
Prepaid expenses and other	1,883	1,022
Deferred tax assets	2,882	2,841
Total current assets	18,189	18,765
Intangibles, net	18,845	18,878
Property, equipment and software, net	5,834	6,084
Restricted marketable securities and workers' compensation deposits	5,091	5,425
Deferred tax assets	2,217	2,268
Other assets	1,158	1,146
	$51,334	$52,566
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$413	$708
Line of credit payable	2,611	3,424
Accounts payable	562	686
Accrued payroll, payroll taxes and related benefits	6,088	5,165
Workers' compensation claim and safety incentive liabilities	4,725	5,735
Other accrued liabilities	1,226	389
Total current liabilities	15,625	16,107
Long-term debt, net of current portion	822	922
Customer deposits	473	520
Long-term workers' compensation liabilities	3,510	3,515
Other long-term liabilities	968	968
Stockholders' equity	29,936	30,534

$51,334	$52,566

On Friday, May 3, 2002, at 9:00 a.m. Pacific Time, William W. Sherertz will host an investor telephone conference call to discuss first quarter 2002 operating results. To participate in the call, dial (800)399-3080 shortly before 9:00 a.m. Pacific Time on Friday, May 3, 2002. A recording of the call will be available beginning May 3, 2002 at 12 noon and ending Friday, May 10, 2002 at 12 noon. To listen to the recording, dial (800)642-1687 and enter conference identification code 4083854.

Barrett Business Services, Inc. is a human resource management company with offices in nine 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, future workers' compensation claims experience, collectibility of accounts receivable, and availability of funding for working capital purposes, 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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Company News On-Call: http: //www.prnewswire.com/comp/082187.html
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