

November 6, 1996



## Barrett Business Services, Inc. Announces Record Net Income and Revenues for Third Quarter 1996

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

(Nasdaq: BBSI) reported today net income of \$1,661,000 for the third quarter

ended September 30, 1996, an increase of \$148,000 or 9.8% over the third

quarter of 1995. Earnings per share for the 1996 third quarter were \$.24 as

compared to \$.23 for the 1995 third quarter. Net income for the nine months

ended September 30, 1996 amounted to \$3,792,000, an increase of \$897,000 or

31.0% over the similar period in 1995. Earnings per share for the 1996

nine-month period were \$.55, which compares to \$.44 for 1995.

	(Unaudited) Third Quarter Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	1996	1995	1996	1995
Results of Operations				
(in thousands, except per share amounts)				
Revenues				
Staffing services	\$32,612	\$28,333	\$ 82,332	\$ 73,271
Professional employer services	27,640	21,303	72,976	60,228
	60,252	49,636	155,308	133,499
Cost of revenues:				
Direct payroll costs	45,817	37,444	117,695	100,847
Payroll taxes and benefits	5,248	4,477	14,570	12,101
Workers' compensation	2,161	1,160	4,144	5,174

Safety incentives	433	297	1,142	720
	53,659	43,378	137,551	118,842
Gross margin	6,593	6,258	17,757	14,657
Selling, general and administrative expenses	4,104	3,748	11,671	9,850
Amortization of intangibles	207	140	576	424
Income from operations	2,282	2,370	5,510	4,383
Other income (expense)	109	70	318	269
Income before taxes	2,391	2,440	5,828	4,652
Provision for income taxes	730	927	2,036	1,757
Net income	\$1,661	\$1,513	\$3,792	\$2,895
Net income per share	\$.24	\$.23	\$.55	\$.44
Weighted average shares	7,019	6,667	6,928	6,657

Revenues for the third quarter ended September 30, 1996 totaled \$60.3 million, an increase of approximately \$10.6 million or 21.4% over the \$49.6 million reported for the same quarter a year ago. Revenues for the nine months ended September 30, 1996 were \$155.3 million, an increase of 16.3% over the comparable 1995 period. The internal growth rates of revenues for the 1996 third quarter and nine-month period were 14.6% and 8.6%, respectively. The following summarizes the unaudited balance sheet at September 30, 1996, and the audited balance sheet at December 31, 1995:

(\$ in thousands)	September 30, 1996	December 31, 1995
Cash	\$4,956	\$3,218
Receivables, net	17,409	13,151
Note receivable	324	--
Prepays and other	746	478
Deferred tax asset	1,203	937
Total current assets	24,638	17,784
Intangibles, net	9,326	6,452
Property and equipment, net	2,435	2,261

Restricted marketable		
securities	5,716	4,681
Other	131	95
	\$42,246	\$31,273
Current portion of long-term		
debt	\$36	\$33
Income taxes payable	648	--
Accounts payable	714	378
Accrued payroll and benefits	8,223	5,797
Accrued workers' compensation		
claims	2,124	2,383
Customer safety incentives	1,037	776
Total current liabilities	12,782	9,367
Long-term debt, net	848	875
Customer deposits	861	675
Other long-term liabilities	615	322
Redeemable common stock	2,825	--
Stockholders' equity	24,315	20,034
	\$42,246	\$31,273

Barrett is a human resource management company with offices in Washington, Oregon, Idaho, California, Arizona, Maryland and Delaware. Barrett reported

revenues of \$179.8 million and net income of \$4.1 million for 1995.

SOURCE Barrett Business Services Inc.

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