

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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