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Barrett Business Services, Inc. Announces Net Income for Fourth Quarter 1997 and Additions of New Officer And Director

PORTLAND, Ore., Feb. 11 /PRNewswire/ -- Barrett Business Services, Inc.

(Nasdaq: BBSI) reported today net income of \$794,000 for the fourth quarter ended December 31, 1997, a decrease of \$450,000 or 36.2% from the fourth quarter of 1996. Basic earnings per share for the 1997 fourth quarter were \$.12, compared to \$.18 for the same quarter a year ago. Net income for the year ended December 31, 1997 amounted to \$3,825,000, a decrease of 24.0% from 1996. Basic earnings per share for 1997 were \$.57, compared to basic earnings per share of \$.75 for 1996.

Revenues for the fourth quarter ended December 31, 1997 totaled \$69.9 million, an increase of approximately \$10.1 million or 16.9% over the \$59.8 million for the same quarter a year ago. The internal growth rate for 1997 fourth quarter revenues was 15.1%. Revenues for the year ended December 31, 1997 were \$281.0 million, an increase of \$67.1 million or 31.4% over 1996.

The 1997 internal growth rate for revenues was 22.1%.

Results of Operations (in thousands, except per share amounts)	Fourth Quarter		Year Ended	
	Ended		December 31,	
	December 31,		December 31,	
	1997	1996	1997	1996
Revenues:				
Staffing services	\$ 38,793	\$ 30,830	\$155,192	\$112,778
Professional employer services	31,104	28,984	125,814	101,148
Total revenues	69,897	59,814	281,006	213,926
Cost of revenues:				

Direct payroll costs	54,690	46,125	218,249	163,448
Payroll taxes and benefits	5,779	5,009	24,996	18,755
Workers' compensation	2,081	1,794	8,146	5,938
Safety incentives	341	390	1,509	1,532
Total cost of revenues	62,891	53,318	252,900	189,673
Gross margin	7,006	6,496	28,106	24,253
Selling, general and administrative expenses	5,443	4,363	20,887	16,034
Amortization of intangibles	349	244	1,292	820
Income from operations	1,214	1,889	5,927	7,399
Other income	57	133	201	452
Income before taxes	1,271	2,022	6,128	7,851
Provision for income taxes	477	778	2,303	2,815
Net income	\$ 794	\$ 1,244	\$ 3,825	\$ 5,036
Basic earnings per share	\$.12	\$.18	\$.57	\$.75
Weighted average basic shares	6,739	6,784	6,751	6,714
Diluted earnings per share	\$.12	\$.18	\$.56	\$.73
Weighted average diluted shares	6,812	6,957	6,885	6,935

Certain prior year revenue and cost of revenue amounts have been reclassified to conform with the 1997 presentation. Such reclassifications had no impact on gross margin, net income or stockholders' equity.

The following summarizes the audited balance sheets at December 31, 1997 and 1996:

(\$ in thousands)	December 31	
	1997	1996
Assets		
Cash	\$ 3,380	\$ 1,901
Receivables, net	19,366	19,057
Note receivable	--	324
Prepays and other	1,080	914
Deferred tax asset	1,926	1,279

Total current assets	25,752	23,475
Intangibles, net	12,094	10,226
Property and equipment, net	4,263	3,111
Restricted marketable securities	6,095	5,707
Other	206	127
	\$48,410	\$42,646
Liabilities and Stockholders' Equity		
Current portion of long-term debt	323	36
Accounts payable	801	667
Accrued payroll and benefits	9,403	7,354
Accrued workers' compensation		
claims	3,140	2,240
Customer safety incentives	1,073	1,015
Other accrued liabilities	399	606
Total current liabilities	15,139	11,918
Long-term debt, net	531	838
Customer deposits	934	890
Long-term workers' compensation		
claims	632	613
Other long-term liabilities	1,030	--
Redeemable common stock	--	2,825
Stockholders' equity	30,144	25,562
	\$48,410	\$42,646

The Company also announced today the recent addition of Herbert L. Hochberg to the Board of Directors and the appointment of Gregory R. Vaughn as Vice President.

The election of Mr. Hochberg expands the Board from six to seven positions. Mr. Hochberg is a Managing Director of Corporate Finance at Ladenburg Thalmann & Co. Inc. in New York. He has been associated with the firm in a senior corporate finance capacity for over thirty years and is a member of its Board of Directors.

Mr. Hochberg is a Chartered Financial Analyst and is qualified as a Supervisory Analyst by the New York Stock Exchange. Mr. Hochberg has a Bachelor of Science Degree from the Massachusetts Institute of Technology and a Masters Degree in Business Administration from the Harvard Graduate School of Business Administration.

Mr. Vaughn joined the Company in July 1997 as Operations Manager. Prior to joining Barrett, Mr. Vaughn was Chief Executive Officer of Insource America, a privately-held human resource management company headquartered in Portland, Oregon with annual revenues of approximately \$60 million. Mr. Vaughn has also held senior management positions with Sundial Time Systems and Continental Information Systems. He was also affiliated with Price Waterhouse for five years in the management consulting services practice. Mr. Vaughn is a Certified Data Processing Professional and holds a Master of Business Administration Degree in operations management and human resources and a Bachelor of Science Degree in computer science and statistics from the State University of New York at Buffalo.

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

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