

May 3, 2000



## Barrett Business Services, Inc. Announces Record First Quarter Revenues

PORTLAND, Ore., May 3 /PRNewswire/ --

Barrett Business Services, Inc. (Nasdaq: BBSI) reported today net income of \$744,000 for the first quarter ended March 31, 2000, an increase of \$4,000 over the first quarter of 1999. Basic and diluted earnings per share for the 2000 first quarter were \$.10, the same amount as the 1999 first quarter.

Revenues for the first quarter ended March 31, 2000 totaled \$87.1 million, an increase of approximately \$16.1 million or 22.7% over the \$71.0 million for the same quarter in 1999. The internal growth rate for revenues was 12.0% for the 2000 first quarter.

Results of Operations	(Unaudited)	
	First Quarter Ended	
	March 31,	
	2000	1999
(in thousands, except per share amounts)		
Revenues:		
Staffing services	\$47,767	\$37,229
Professional employer services	39,355	33,786
Total revenues	87,122	71,015
Cost of revenues:		
Direct payroll costs	68,004	55,163
Payroll taxes and benefits	7,918	6,251
Workers' compensation and safety incentives	2,597	2,286
Total cost of revenues	78,519	63,700
Gross margin	8,603	7,315

Selling, general and administrative expenses	6,485	5,573
Depreciation and amortization	731	511
Income from operations	1,387	1,231
Other (expense) income, net	(132)	72
Income before taxes	1,255	1,303
Provision for income taxes	511	563
Net income	\$744	\$740
Basic earnings per share	\$.10	\$.10
Weighted average basic shares outstanding	7,459	7,666
Diluted earnings per share	\$.10	\$.10
Weighted average diluted shares outstanding	7,509	7,707

Certain 1999 amounts have been reclassified to conform with the 2000 presentation. Such reclassifications had no impact on gross margin, net income or stockholders' equity.

The following summarizes the unaudited balance sheets at March 31, 2000 and December 31, 1999.

(\$ in thousands)	March 31, 2000	December 31, 1999
Assets		
Current assets:		
Cash and cash equivalents	\$198	\$550
Trade accounts receivable, net	31,568	30,216
Prepaid expenses and other	1,205	1,219
Deferred tax assets	1,677	1,658
Total current assets	34,648	33,643
Intangibles, net	21,456	21,945
Property, equipment and software, net	7,552	7,027
Restricted marketable securities and workers' compensation deposits	6,317	6,281
Deferred tax assets	701	712
Other assets	1,313	1,132
	\$71,987	\$70,740

## Liabilities and Stockholders' Equity

### Current liabilities:

Notes payable	\$865	\$865
Current portion of long-term debt	2,792	2,783
Line of credit payable	6,005	4,882
Income taxes payable	282	--
Accounts payable	1,382	1,356
Accrued payroll, payroll taxes and related benefits	11,237	11,437
Workers' compensation claim and safety incentive liabilities	3,977	4,219
Other accrued liabilities	563	413
Total current liabilities	27,103	25,955
Long-term debt, net of current portion	3,525	4,232
Customer deposits	700	815
Long-term workers' compensation liabilities	695	699
Other long-term liabilities	1,900	1,710
Stockholders' equity	38,064	37,329
	\$71,987	\$70,740

Barrett Business Services, Inc. is a human resource management company

with offices in ten states serving customers throughout 35 states. For 1999,

Barrett reported revenues of \$347.9 million and net income of \$5.1 million.

SOURCE Barrett Business Services, Inc.

Web site: <http://www.barrettbusiness.com>

Company News On-Call: <http://www.prnewswire.com/comp/082187.html> or fax, 800-758-5804, ext. 082187

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