

October 15, 2008



# TrueBlue Reports 2008 Third Quarter Results

TACOMA, Wash.--(BUSINESS WIRE)--

TrueBlue (NYSE:TBI):

## Third Quarter Summary

- Revenue of \$388 million, a decrease of 1% compared to the third quarter of 2007.
- Net income of \$16.3 million, a decrease of 28% compared to the third quarter of 2007.
- Diluted net income per common share of \$0.38 compared to \$0.51 for the third quarter of 2007.
- EBITDA(a) of \$29.0 million, a decrease of 21% compared to the third quarter 2007.

The one percent revenue decline for the quarter consisted of 16 percent growth from acquisitions completed within the last 12 months offset by a 17 percent decrease in organic revenue, which consists of total revenue growth less growth from acquisitions.

"As a result of the weak economy, demand for our services declined across most of the markets we serve, and we responded by accelerating plans to close branches and implementing other cost controls," said TrueBlue CEO Steve Cooper. "We will continue to aggressively manage costs during these challenging times."

## Branch Activity

TrueBlue closed eight branches resulting in 919 total branches in operation at the end of the quarter bringing year-to-date branch closures for 2008 to 32 branches. The company plans to close 17 branches during the fourth quarter of 2008 and is currently evaluating additional branches to close.

## Q4 Outlook

For the fourth quarter of 2008, TrueBlue estimates revenue in the range of \$325 to \$335 million with net income per diluted share for the quarter in the range of \$0.10 to \$0.14.

Management will discuss third quarter 2008 results on a conference call at 2 p.m. (PT), today, Wednesday Oct. 15, 2008. The conference call can be accessed on TrueBlue's web site: [www.TrueBlueInc.com](http://www.TrueBlueInc.com).

## About TrueBlue

TrueBlue (NYSE:TBI) is the leading provider of blue-collar staffing with revenue of approximately \$1.4 billion. Each year, TrueBlue connects approximately 600,000 people to work through the following brands: Labor Ready, PMI, Spartan Staffing, CLP Resources, PlaneTechs, and TLC Drivers. Headquartered in Tacoma, Wash., TrueBlue serves more than 300,000 small to mid-sized businesses in the construction, warehousing, hospitality, landscaping, transportation, light manufacturing, retail, wholesale, facilities, sanitation, and aviation industries. For more information, visit TrueBlue's website at [www.TrueBlueInc.com](http://www.TrueBlueInc.com)

## Forward-looking Statements

This news release contains forward-looking statements, such as statements about the ranges of revenues, gross margins and net income anticipated for future periods, improvements in safety and workers' compensation claims and costs, strategies for increasing revenue and net income, and other factors that may affect TrueBlue's financial results and operations in the future. TrueBlue's actual results are, however, subject to a number of risks, including without limitation the following: 1) national and global economic conditions, including the impact of changes in national and global credit markets and other changes on TrueBlue customers; 2) TrueBlue's ability to continue to attract and retain customers and maintain profit margins in the face of new and existing competition; 3) potential new laws and regulations that could have a materially adverse effect on TrueBlue's operations and financial results; 4) significant labor disturbances which could disrupt industries TrueBlue serves; 5) increased costs and collateral requirements in connection with TrueBlue's insurance obligations, including workers' compensation insurance; 6) the adequacy of TrueBlue's financial reserves; 7) TrueBlue's continuing ability to comply with financial covenants in its lines of credit and other financing agreements; 8) TrueBlue's ability to attract and retain competent employees in key positions or to find temporary employees or skilled trade workers to fulfill the needs of our customers; 9) TrueBlue's ability to successfully complete and integrate acquisitions that it may make from time to time; 10) TrueBlue's ability to timely execute strategies for acquired companies; and 11) other risks described in TrueBlue's filings with the Securities and Exchange Commission, including its most recent Form 10-K and Form 10-Q filings.

## Definitions

(a) EBITDA is defined, discussed and reconciled to net income in the financial schedules filed with this press release.

TrueBlue, Inc.  
SUMMARY CONSOLIDATED STATEMENTS OF INCOME  
In Thousands, except per share data  
(Unaudited)

|                       | Thirteen Weeks<br>Ended |                   | Thirty-Nine Weeks<br>Ended |                   |
|-----------------------|-------------------------|-------------------|----------------------------|-------------------|
|                       | Sept. 26,<br>2008       | Sept. 28,<br>2007 | Sept. 26,<br>2008          | Sept. 28,<br>2007 |
| Revenue from services | \$387,914               | \$390,672         | \$1,082,640                | \$1,032,040       |
| Cost of services      | 272,736                 | 265,168           | 758,564                    | 701,858           |

|                                              |           |           |           |           |
|----------------------------------------------|-----------|-----------|-----------|-----------|
| Gross profit                                 | 115,178   | 125,504   | 324,076   | 330,182   |
| Selling, general and administrative expenses | 86,226    | 89,077    | 253,279   | 248,355   |
| Depreciation and amortization                | 3,988     | 3,402     | 11,863    | 8,661     |
|                                              | -----     | -----     | -----     | -----     |
| Income from operations                       | 24,964    | 33,025    | 58,934    | 73,166    |
| Interest and other income, net               | 1,049     | 2,504     | 4,569     | 8,223     |
|                                              | -----     | -----     | -----     | -----     |
| Income before tax expense                    | 26,013    | 35,529    | 63,503    | 81,389    |
| Income tax expense                           | 9,678     | 12,806    | 21,639    | 29,545    |
|                                              | -----     | -----     | -----     | -----     |
| Net income                                   | \$ 16,335 | \$ 22,723 | \$ 41,864 | \$ 51,844 |
|                                              | =====     | =====     | =====     | =====     |
| Net income per common share:                 |           |           |           |           |
| Basic                                        | \$ 0.38   | \$ 0.51   | \$ 0.97   | \$ 1.12   |
| Diluted                                      | \$ 0.38   | \$ 0.51   | \$ 0.97   | \$ 1.11   |
| Weighted average shares outstanding:         |           |           |           |           |
| Basic                                        | 42,460    | 44,487    | 43,005    | 46,484    |
| Diluted                                      | 42,695    | 44,784    | 43,176    | 46,775    |

TrueBlue, Inc.  
SUMMARY CONSOLIDATED BALANCE SHEETS  
In Thousands

|                                            | Sept. 26,<br>2008<br>(Unaudited) | Dec. 28,<br>2007 |
|--------------------------------------------|----------------------------------|------------------|
|                                            | -----                            | -----            |
| Assets                                     |                                  |                  |
| Current assets                             |                                  |                  |
| Cash and cash equivalents                  | \$ 57,480                        | \$ 57,008        |
| Marketable securities                      | -                                | 10,954           |
| Accounts receivable, net                   | 155,652                          | 140,027          |
| Other current assets                       | 27,737                           | 21,519           |
|                                            | -----                            | -----            |
| Total current assets                       | 240,869                          | 229,508          |
| Property and equipment, net                | 58,184                           | 44,909           |
| Restricted cash                            | 127,785                          | 132,497          |
| Other assets                               | 154,606                          | 138,335          |
|                                            | -----                            | -----            |
| Total assets                               | \$ 581,444                       | \$ 545,249       |
|                                            | =====                            | =====            |
| Liabilities and shareholders' equity       |                                  |                  |
| Current liabilities                        | \$ 108,857                       | \$ 114,538       |
| Long-term liabilities                      | 156,241                          | 146,884          |
|                                            | -----                            | -----            |
| Total liabilities                          | 265,098                          | 261,422          |
| Shareholders' equity                       | 316,346                          | 283,827          |
|                                            | -----                            | -----            |
| Total liabilities and shareholders' equity | \$ 581,444                       | \$ 545,249       |
|                                            | =====                            | =====            |

TrueBlue, Inc.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

In Thousands  
(Unaudited)

|                                                                                      | Thirty-Nine Weeks<br>Ended |                   |
|--------------------------------------------------------------------------------------|----------------------------|-------------------|
|                                                                                      | Sept. 26,<br>2008          | Sept. 28,<br>2007 |
| Cash flows from operating activities:                                                |                            |                   |
| Net income                                                                           | \$ 41,864                  | \$ 51,844         |
| Adjustments to reconcile net income to net cash<br>provided by operating activities: |                            |                   |
| Depreciation and amortization                                                        | 11,863                     | 8,661             |
| Provision for doubtful accounts                                                      | 6,697                      | 7,543             |
| Stock-based compensation                                                             | 6,229                      | 5,457             |
| Excess tax benefits from stock-based<br>compensation                                 | -                          | (1,293)           |
| Deferred income taxes                                                                | (7,102)                    | (4,458)           |
| Other operating activities                                                           | 530                        | 105               |
| Changes in operating assets and liabilities,<br>exclusive of businesses acquired:    |                            |                   |
| Accounts receivable                                                                  | (11,394)                   | (34,904)          |
| Income taxes                                                                         | (4,350)                    | 9,957             |
| Other assets                                                                         | -                          | 298               |
| Accounts payable and other accrued expenses                                          | (1,663)                    | 1,696             |
| Accrued wages and benefits                                                           | (2,654)                    | (342)             |
| Workers' compensation claims reserve                                                 | 4,106                      | 5,621             |
| Other liabilities                                                                    | (3,216)                    | 872               |
| Net cash provided by operating activities                                            | 40,910                     | 51,057            |
| Cash flows from investing activities:                                                |                            |                   |
| Capital expenditures                                                                 | (20,009)                   | (16,311)          |
| Purchases of marketable securities                                                   | (27,158)                   | (146,901)         |
| Maturities of marketable securities                                                  | 38,087                     | 227,706           |
| Acquisitions of businesses, net of cash<br>acquired                                  | (21,270)                   | (26,456)          |
| Change in restricted cash                                                            | 4,712                      | 809               |
| Other                                                                                | -                          | (167)             |
| Net cash provided by (used in) investing<br>activities                               | (25,638)                   | 38,680            |
| Cash flows from financing activities:                                                |                            |                   |
| Purchases and retirement of common stock                                             | (15,997)                   | (148,233)         |
| Net proceeds from sale of stock through options<br>and employee benefit plans        | 3,173                      | 5,046             |
| Shares withheld for taxes upon vesting of<br>restricted stock                        | (918)                      | (954)             |
| Excess tax benefits from stock-based<br>compensation                                 | -                          | 1,293             |
| Payments on debt                                                                     | (193)                      | (842)             |
| Other                                                                                | (229)                      | -                 |
| Net cash used in financing activities                                                | (14,164)                   | (143,690)         |
| Effect of exchange rates on cash                                                     | (636)                      | 1,893             |

|                                                |           |           |
|------------------------------------------------|-----------|-----------|
|                                                | -----     | -----     |
| Net change in cash and cash equivalents        | 472       | (52,060)  |
| CASH AND CASH EQUIVALENTS, beginning of period | 57,008    | 107,944   |
|                                                | -----     | -----     |
| CASH AND CASH EQUIVALENTS, end of period       | \$ 57,480 | \$ 55,884 |
|                                                | =====     | =====     |

Source: TrueBlue