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Barrett Business Services, Inc. Announces Expectations of Lower Comparable Operating Results for Third Quarter of 2000 and Increase in Stock Repurchase Program

PORTLAND, Ore., Oct. 23 /PRNewswire/ --

Barrett Business Services, Inc. (Nasdaq: BBSI) announced today that it expects to report operating results for the third quarter ended September 30, 2000 that are lower than those for the comparable 1999 quarter. The anticipated results are attributable primarily to a 16% decline in revenues and a lower gross margin percent due to higher workers' compensation expense, as compared to the same quarter last year.

The Company's revenues continue to be adversely affected by the reduced availability of qualified employees in a low unemployment economy, as well as the Company's decision to terminate its relationship with certain customers due to unacceptable profit margins or risks associated with credit or workplace safety. In an effort to improve future operating results, management is continuing to increase the Company's rates for services to reflect the continuing imbalance between the demand for and supply of qualified employees for its customers, in addition to reducing selling, general and administrative expenses.

Management expects the Company's net earnings per diluted share for the third quarter ended September 30, 2000 to be \$.07, as compared to \$.24 for the same quarter last year. The Company anticipates that its third quarter 2000

operating results will be reported on November 1, 2000.

The Company also announced that its board of directors has authorized the repurchase of up to an additional 250,000 shares under the Company's stock repurchase program from time to time in open market purchases. This action increases the total number of common shares authorized for repurchase from 700,000 to 950,000. Since the inception of the repurchase program, the Company has repurchased 599,600 common shares.

Barrett Business Services is a human resource management company with offices in ten states. For 1999, Barrett reported net income of \$5.1 million and revenues of \$347.9 million.

Statements above 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.

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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