

April 30, 2003



Barrett Business Services, Inc. Announces First Quarter 2003 Operating Results

PORTLAND, Ore., April 30 /PRNewswire-FirstCall/ --

Barrett Business Services, Inc. (Nasdaq: BBSI) reported today a net loss of \$343,000 for the first quarter ended March 31, 2003, an improvement of \$74,000 from a net loss of \$417,000 for the first quarter of 2002. The diluted loss per share for the 2003 first quarter was \$(.06) as compared to a diluted loss per share of \$(.07) for the same quarter a year ago.

Revenues for the first quarter ended March 31, 2003 totaled \$23.4 million, a decrease of approximately \$2.3 million or 9.1% from the \$25.7 million for the same quarter in 2002.

	(Unaudited)	
	First Quarter Ended	
	March 31,	
Results of Operations	2003	2002
(in thousands, except per share amounts)		
Revenues:		
Staffing services	\$20,110	\$22,570
Professional employer service fees	3,287	3,168
Total revenues	23,397	25,738
Cost of revenues:		
Direct payroll costs	14,798	16,634
Payroll taxes and benefits	3,805	3,692
Workers' compensation	1,425	1,625
Total cost of revenues	20,028	21,951
Gross margin	3,369	3,787
Selling, general and administrative expenses	3,596	4,199

Depreciation and amortization	280	312
Loss from operations	(507)	(724)
Other (expense) income, net	(6)	11
Loss before taxes	(513)	(713)
Benefit from income taxes	(170)	(296)
Net loss	\$ (343)	\$ (417)
Basic loss per share	\$ (.06)	\$ (.07)
Weighted average basic shares outstanding	5,748	5,821
Diluted loss per share	\$ (.06)	\$ (.07)
Weighted average diluted shares outstanding	5,748	5,821

William W. Sherertz, President and Chief Executive Officer, commented

that: "We are relatively pleased with the improved results for the 2003 first quarter and encouraged by our growth prospects for the balance of the year.

With the anticipated completion of a real estate sale-leaseback transaction in the second quarter, we expect to substantially reduce our bank debt during the current quarter, which will position the Company very well for the future."

The Company changed its reporting of PEO revenues from a gross basis to a net basis in 2002 because it was determined that the Company was not the primary obligor for the services provided by employees pursuant to its PEO contracts. The gross revenue information below is presented for comparison purposes only.

	(Unaudited)	
	First Quarter Ended	
	March 31,	
	2003	2002
Revenues:		
Staffing services	\$20,110	\$22,570
Professional employer services	20,539	18,395
Total revenues	\$40,649	\$40,965
Cost of revenues:		
Direct payroll costs	32,050	31,861

Payroll taxes and benefits	3,805	3,692
Workers' compensation	1,425	1,625
Total cost of revenues	37,280	37,178
Gross margin	\$3,369	\$3,787

A reconciliation of gross PEO revenues to net PEO revenues is as follows:

For the quarter ended March 31, 2003 (in thousands):

			Net Revenue
	Gross Revenue		Reporting
	Reporting Method	Reclassification	Method
Revenues:			
Staffing services	\$20,110	\$--	\$20,110
Professional employer			
services	20,539	(17,252)	3,287
Total revenues	\$40,649	\$ (17,252)	\$23,397

Cost of revenues:

Direct payroll costs	\$32,050	\$ (17,252)	\$14,798
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For the quarter ended March 31, 2002 (in thousands):

			Net Revenue
	Gross Revenue		Reporting
	Reporting Method	Reclassification	Method
Revenues:			
Staffing services	\$22,570	\$--	\$22,570
Professional employer			
services	18,395	(15,227)	3,168
Total revenues	\$40,965	\$ (15,227)	\$25,738

Cost of revenues:

Direct payroll costs	\$31,861	\$ (15,227)	\$16,634
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The following summarizes the unaudited balance sheets at March 31, 2003 and December 31, 2002.

(\$ in thousands)

	March 31,	December 31,
	2003	2002

Assets

Current assets:

Cash and cash equivalents	\$239	\$96
Income taxes receivable	--	1,923
Trade accounts receivable, net	10,983	11,357
Prepaid expenses and other	1,811	1,040
Deferred income taxes	1,944	2,111
Total current assets	14,977	16,527
Goodwill, net	18,749	18,749
Intangibles, net	46	59
Property, equipment and software, net	4,942	5,167
Restricted marketable securities and workers' compensation deposits	4,341	4,286
Deferred income taxes	1,445	1,445
Other assets	929	1,064
	\$45,429	\$47,297

Liabilities and Stockholders' Equity

Current liabilities:

Current portion of long-term debt	\$422	\$434
Line of credit payable	1,793	3,513
Accounts payable	979	834
Accrued payroll, payroll taxes and related benefits	6,358	4,897
Workers' compensation claims liabilities	2,127	3,903
Safety incentives payable	346	406
Other accrued liabilities	1,108	305
Total current liabilities	13,133	14,292
Long-term debt, net of current portion	400	488
Customer deposits	444	443
Long-term workers' compensation claims liabilities	2,487	2,492
Other long-term liabilities	650	797
Stockholders' equity	28,315	28,785
	\$45,429	\$47,297

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

with offices in seven 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, future workers' compensation claims experience, collectibility of accounts receivable, and availability of funding for working capital purposes, among others. Other important factors that may affect the Company's future prospects are described in the Company's 2002 Annual Report on Form 10-K. 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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