

TRUEBLUE, INC.
RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO ADJUSTED NET INCOME AND
RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) PER DILUTED SHARE TO ADJUSTED NET INCOME PER DILUTED SHARE

	FISCAL YEAR 2016										FISCAL YEAR 2015						FISCAL YEAR 2014													
	13 Weeks Ended		14 Weeks Ended		53 Weeks Ended		13 Weeks Ended		52 Weeks Ended		13 Weeks Ended		52 Weeks Ended		13 Weeks Ended		52 Weeks Ended													
	March 25, 2016	June 24, 2016	September 23, 2016	January 1, 2017	January 1, 2017	March 27, 2015	June 26, 2015	September 25, 2015	December 25, 2015	December 25, 2015	March 28, 2014	June 27, 2014	September 26, 2014	December 26, 2014	December 26, 2014															
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share				
<i>(Unaudited, in thousands, except for per share data)</i>																														
Net income (loss)	\$ 6,968	\$ 0.17	\$ (63,735)	\$ (1.53)	\$ 23,429	\$ 0.56	\$ 18,087	\$ 0.43	\$ (15,251)	\$ (0.37)	\$ 5,716	\$ 0.14	\$ 17,273	\$ 0.42	\$ 20,090	\$ 0.48	\$ 28,168	\$ 0.67	\$ 71,247	\$ 1.71	\$ 1,656	\$ 0.04	\$ 16,082	\$ 0.39	\$ 20,910	\$ 0.51	\$ 27,027	\$ 0.65	\$ 65,675	\$ 1.59
Acquisition/integration and other costs (1)	1,060	0.03	2,319	0.06	4,842	0.11	4,002	0.09	12,223	0.29	1,156	0.03	2,631	0.06	—	—	1,348	0.03	5,135	0.12	—	—	1,988	0.05	2,339	0.06	893	0.02	5,220	0.13
Amortization of intangible assets of acquired businesses (2)	6,735	0.16	7,112	0.17	6,831	0.16	6,391	0.15	27,069	0.65	5,150	0.12	4,575	0.11	4,593	0.11	5,585	0.13	19,903	0.48	1,524	0.04	1,519	0.04	4,594	0.11	4,409	0.11	12,046	0.29
Goodwill and intangible impairment charges (3)	—	—	99,269	2.38	4,275	0.10	—	—	103,544	2.49	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Tax effective of adjustments to net income (loss) (4)	(2,183)	(0.05)	(30,436)	(0.73)	(4,465)	(0.11)	(2,910)	(0.07)	(39,994)	(0.96)	(1,767)	(0.04)	(2,018)	(0.05)	(1,286)	(0.03)	(1,941)	(0.05)	(7,011)	(0.17)	(427)	(0.01)	(982)	(0.02)	(1,941)	(0.05)	(1,485)	(0.04)	(4,834)	(0.12)
Adjust income taxes to normalized effective rate (5)	(1,510)	(0.04)	7,782	0.19	(4,073)	(0.10)	(1,593)	(0.04)	606	0.01	(540)	(0.01)	(347)	(0.01)	3,588	0.09	(4,506)	(0.11)	(1,805)	(0.04)	331	0.01	(2,811)	(0.07)	80	—	(4,347)	(0.11)	(6,747)	(0.16)
Adjusted net income (6)*	\$ 11,070	\$ 0.27	\$ 22,311	\$ 0.54	\$ 30,839	\$ 0.72	\$ 23,977	\$ 0.56	\$ 88,197	\$ 2.11	\$ 9,715	\$ 0.24	\$ 22,114	\$ 0.53	\$ 26,985	\$ 0.65	\$ 28,654	\$ 0.67	\$ 87,469	\$ 2.10	\$ 3,084	\$ 0.08	\$ 15,796	\$ 0.39	\$ 25,982	\$ 0.63	\$ 26,497	\$ 0.63	\$ 71,360	\$ 1.73
Diluted weighted average shares outstanding		41,798		41,688		42,056		41,980		41,648		41,362		41,475		41,620		41,748		41,622		40,891		40,969		41,038		41,317		41,176

* Adjusted net income and net income per diluted share previously excluded the third-party processing fees associated with generating Work Opportunity Tax Credits.

- Acquisition and integration costs relate to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on January 4, 2016, acquisition of SIMOS, which was completed on December 1, 2015, and the acquisition of Seaton, which was completed on June 30, 2014.
- Acquisition/integration and other costs relate to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on January 4, 2016, and the acquisition of SIMOS, which was completed on December 1, 2015. In addition, other charges for the fourteen weeks ended January 1, 2017, consist of costs of \$0.8 million associated with our exit from the Amazon delivery business and \$1.3 million adjustment to increase the earn-out associated with the acquisition of SIMOS. For the fifty-three weeks ended January 1, 2017, these charges also included branch signage write-offs of \$1.6 million due to our re-branding to PeopleReady as well as costs of \$1.8 million associated with our exit from the Amazon delivery business recorded in the third quarter of 2016.
- The Goodwill and intangible asset impairment charge for the fifty-three weeks ended January 1, 2017, included the write-off of the CLP and Spartan reporting unit trade names/trademarks of \$4.3 million due to the re-branding to PeopleReady during the third quarter of 2016, and \$99.3 million of impairment charges recorded in the second quarter of 2016 relating to our Staff Management | SMX, hrX, and PlaneTechs reporting units.
- Total tax effect of each of the adjustments to U.S. GAAP Net income (loss) per diluted share using the ongoing rate of 28%.
- Adjusts the effective income tax rate to the expected ongoing rate of 28%.
- Adjusted net income and Adjusted net income per diluted share are non-GAAP financial measures, which exclude from Net income (loss) and Net income (loss) on a per diluted share basis, costs related to acquisition/integration and other costs, goodwill and intangible asset impairment charges, amortization of intangibles of acquired businesses as well as accretion expense related to acquisition earn-out, tax effect of each adjustment to U.S. GAAP Net income (loss), and adjusts income taxes to the expected ongoing effective tax rate. Adjusted net income and Adjusted net income per diluted share are key measures used by management to assess performance and, in our opinion, enhance comparability and provide investors with useful insight into the underlying trends of the business. Adjusted net income and Adjusted net income per diluted share should not be considered measures of financial performance in isolation or as an alternative to net income or net income per diluted share in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies. Adjusted net income and net income per diluted share previously excluded the third-party processing fees associated with generating Work Opportunity Tax Credits.