

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

October 29, 2003  
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BARRETT BUSINESS SERVICES, INC.  
(Exact name of registrant as specified in charter)

Maryland  
(State or other jurisdiction of incorporation)

0-21886  
(SEC File Number)

52-0812977  
(IRS Employer Identification No.)

4724 S.W. Macadam Avenue  
Portland, Oregon 97239  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:

(503) 220-0988

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) The following exhibit is included with this report:

99.1 Press release issued October 29, 2003

Item 12. Results of Operations and Financial Condition.

On October 29, 2003, the Company issued a press release announcing its results of operations for the quarter and nine months ended September 30, 2003. This discussion, as well as the press release included as Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or incorporated by reference in any filing under the Securities Act of 1933.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BARRETT BUSINESS SERVICES, INC.

Dated: October 29, 2003 By: /s/ Michael D. Mulholland

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Michael D. Mulholland  
Vice President - Finance

## NEWS RELEASE

For Immediate Release

Contact: William W. Sherertz  
President and  
Chief Executive Officer

Telephone: (503) 220-0988

BARRETT BUSINESS SERVICES, INC.  
ANNOUNCES THIRD QUARTER 2003 OPERATING RESULTS AND  
SCHEDULES INVESTOR CONFERENCE CALL

PORTLAND, OREGON, OCTOBER 29, 2003 - Barrett Business Services, Inc. (Nasdaq trading symbol: BBSI) reported today net income of \$943,000 for the third quarter ended September 30, 2003, an improvement of \$887,000 over net income of \$56,000 for the third quarter of 2002. The diluted income per share for the 2003 third quarter was \$.16, as compared to \$.01 for the 2002 third quarter.

Revenues for the third quarter ended September 30, 2003 totaled \$34.8 million, an increase of approximately \$4.7 million or 15.6% over the \$30.1 million for the same quarter in 2002. Revenues for the nine months ended September 30, 2003 amounted to \$86.1 million, an increase of 3.0% over the same period a year ago.

<TABLE>  
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Results of Operations	(Unaudited) Third Quarter Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	2003	2002	2003	2002
-----				
(in thousands, except per share amounts)				
Revenues:				
<S>	<C>	<C>	<C>	<C>
Staffing services	\$ 26,727	\$ 26,935	\$ 69,883	\$ 74,189
Professional employer service fees	8,046	3,155	16,189	9,405
	-----	-----	-----	-----
Total revenues	34,773	30,090	86,072	83,594
	-----	-----	-----	-----
Cost of revenues:				
Direct payroll costs	19,740	20,032	51,617	54,841
Payroll taxes and benefits	6,181	3,627	14,371	10,839
Workers' compensation	2,501	2,058	5,908	5,402
	-----	-----	-----	-----
Total cost of revenues	28,422	25,717	71,896	71,082
	-----	-----	-----	-----
Gross margin	6,351	4,373	14,176	12,512
Selling, general and administrative expenses	4,582	3,984	12,047	12,255
Depreciation and amortization	256	282	807	882
	-----	-----	-----	-----
Income (loss) from operations	1,513	107	1,322	(625)
Other (expense) income, net	(62)	(14)	(136)	6
	-----	-----	-----	-----
Income (loss) before taxes	1,451	93	1,186	(619)
Provision for (benefit from) income taxes	508	37	419	(259)
	-----	-----	-----	-----
Net income (loss)	\$ 943	\$ 56	\$ 767	\$ (360)
	=====	=====	=====	=====
Basic income (loss) per share	\$ .17	\$ .01	\$ .13	\$ (.06)
	=====	=====	=====	=====
Weighted average basic shares outstanding	5,645	5,804	5,700	5,810
	=====	=====	=====	=====
Diluted income (loss) per share	\$ .16	\$ .01	\$ .13	\$ (.06)
	=====	=====	=====	=====
Weighted average diluted shares outstanding	5,927	5,816	5,805	5,810
	=====	=====	=====	=====

&lt;/TABLE&gt;

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 revenues and cost of revenues information below,

October 29, 2003

although not in accordance with generally accepted accounting principles ("GAAP"), is presented for comparison purposes and because management believes such information is more informative as to the level of the Company's business activity and more useful in managing its operations.

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(\$ in thousands)	(Unaudited) Third Quarter Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	2003	2002	2003	2002
Revenues:				
<S> Staffing services	\$ 26,727	\$ 26,935	\$ 69,883	\$ 74,189
Professional employer services	46,886	18,710	95,767	55,269
Total revenues	73,613	45,645	165,650	129,458
Cost of revenues:				
Direct payroll costs	58,580	35,587	131,195	100,705
Payroll taxes and benefits	6,181	3,627	14,371	10,839
Workers' compensation	2,501	2,058	5,908	5,402
Total cost of revenues	67,262	41,272	151,474	116,946
Gross margin	\$ 6,351	\$ 4,373	\$ 14,176	\$ 12,512

</TABLE>

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

For the third quarters ended September 30, 2003 and 2002 (in thousands):

<TABLE>  
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	Gross Revenue Reporting Method		Reclassification		Net Revenue Reporting Method	
	2003	2002	2003	2002	2003	2002
Revenues:						
<S> Staffing services	\$ 26,727	\$ 26,935	\$ -	\$ -	\$ 26,727	\$ 26,935
Professional employer services	46,886	18,710	(38,840)	(15,555)	8,046	3,155
Total revenues	\$ 73,613	\$ 45,645	\$ (38,840)	\$ (15,555)	\$ 34,773	\$ 30,090
Cost of revenues:						
Direct payroll costs	\$ 58,580	\$ 35,587	\$ (38,840)	\$ (15,555)	\$ 19,740	\$ 20,032

</TABLE>

For the nine months ended September 30, 2003 and 2002 (in thousands):

<TABLE>  
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	Gross Revenue Reporting Method		Reclassification		Net Revenue Reporting Method	
	2003	2002	2003	2002	2003	2002
Revenues:						
<S> Staffing services	\$ 69,883	\$ 74,189	\$ -	\$ -	\$ 69,883	\$ 74,189
Professional employer services	95,767	55,269	(79,578)	(45,864)	16,189	9,405
Total revenues	\$165,650	\$129,458	\$ (79,578)	\$ (45,864)	\$ 86,072	\$ 83,594
Cost of revenues:						
Direct payroll costs	\$131,195	\$100,705	\$ (79,578)	\$ (45,864)	\$ 51,617	\$ 54,841

</TABLE>

William W. Sherertz, President and Chief Executive Officer, commented that: "We are very pleased with our results for the third quarter and we expect to generate comparable or better results for the 2003 fourth quarter."

The following summarizes the unaudited balance sheets at September 30, 2003 and December 31, 2002.

<TABLE>  
 <CAPTION>  
 (\$ in thousands)

	September 30, 2003	December 31, 2002
	-----	-----
Assets		
Current assets:		
<S>	<C>	<C>
Cash and cash equivalents	\$ 450	\$ 96
Income taxes receivable	-	1,923
Trade accounts receivable, net	18,449	11,357
Prepaid expenses and other	1,749	1,040
Deferred income taxes	1,658	2,111
	-----	-----
Total current assets	22,306	16,527
Goodwill, net	18,749	18,749
Intangibles, net	23	59
Property, equipment and software, net	3,465	5,167
Restricted marketable securities and workers' compensation deposits		
Deferred income taxes	1,114	1,445
Other assets	482	1,064
	-----	-----
	\$ 50,202	\$ 47,297
	=====	=====

Liabilities and Stockholders' Equity

Current liabilities:		
Current portion of long-term debt	\$ 88	\$ 434
Line of credit payable	-	3,513
Accounts payable	781	834
Accrued payroll, payroll taxes and related benefits	12,933	4,897
Workers' compensation claims liabilities	1,749	3,903
Safety incentives payable	681	406
Other accrued liabilities	326	305
Current portion of deferred gain on sale and leaseback	122	-
	-----	-----
Total current liabilities	16,680	14,292
Long-term debt, net of current portion	400	488
Customer deposits	447	443
Long-term workers' compensation claims liabilities	2,476	2,492
Other long-term liabilities	27	797
Long-term deferred gain on sale and leaseback	1,066	-
Stockholders' equity	29,106	28,785
	-----	-----
	\$ 50,202	\$ 47,297
	=====	=====

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On October 30, 2003 at 9:00 a.m. Pacific Time, William W. Sherertz and Michael D. Mulholland will host an investor telephone conference call to discuss third quarter 2003 operating results. To participate in the call, dial (877)356-3717 shortly before 9:00 a.m. Pacific Time on October 30, 2003. The call identification number is 3498751. A recording of the call will be available beginning October 30, 2003 at 12:00 p.m. and ending Thursday, November 6, 2003. To listen to the recording, dial (800)642-1687 and enter conference identification code 3498751.

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, including earnings expectations for the remaining one quarter of 2003, 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. The Company undertakes no obligation to update or revise forward-looking statements in this release to reflect events or changes in circumstances that occur after the date of this release.

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