

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) **June 4, 2003**

LABOR READY, INC.

(Exact name of Registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation or organization)

91-1287341
(IRS Employer
Identification No.)

**1015 A Street
Tacoma, Washington 98402**
(Address of principal executive offices, including zip code)

(253) 383-9101
(Registrant's telephone number, including area code)

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Investor Presentation

ITEM 9. REGULATION FD DISCLOSURE

Copies of slide presentations which will be presented by us at the Lehman Brothers Global Services Conference on June 4, 2003 at 2:25 PM (ET), and generally to members of the financial and investment community from time to time (the "Investor Presentation"), are attached to this Report as Exhibit 99.1 and are also available on Labor Ready's website, www.laborready.com. The Investor Presentation is being furnished pursuant to Regulation FD and Item 9 of Form 8-K.

The Investor Presentation contains certain information relating to EBITDA. As used in the Investor Presentation, EBITDA means income from operations excluding depreciation and amortization. EBITDA should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with accounting principles generally accepted in the United States. EBITDA, as used by us, may not be comparable to similarly titled measures reported by other companies.

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Set forth below is a reconciliation of such non-GAAP financial information to income from operations before interest, taxes, extraordinary item and cumulative effect of an accounting change (the "Reconciliation"). This information is being furnished pursuant to Regulation G.

In accordance with General Instruction B.2 of Form 8-K, the information contained in the Investor Presentation and Reconciliation shall not be deemed "Filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing

**Reconciliation of EBITDA to income before interest, taxes, extraordinary item and
cumulative effect of an accounting change**

(In Thousands)

	<u>EBITDA</u>	<u>Depreciation & Amortization</u>	<u>Income from Operations</u>
2003	35,000 *	10,000 *	25,000 *
2002	29,856	9,144	20,712
2001	22,315	8,203	14,112
2000	24,101	7,380	16,721
1999	46,213	4,804	41,409
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* Estimated

SIGNATURE

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 hereunto duly authorized.

June 4, 2003

LABOR READY, INC.

By: /s/ Joseph P. Sambataro, Jr.
Chief Executive Officer

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EXHIBIT INDEX

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99.1	Investor Presentation

4



LABOR READY
Dependable Temporary Labor.

INVESTOR RELATIONS
2nd QUARTER
2003

We Put People to Work.

The slide features a background image of three people: a man in a red shirt and white hard hat on the left, a man in a yellow hard hat in the center talking on a mobile phone, and a woman on the right wearing a headset. A world map is faintly visible in the background.

[Link to searchable text of the slide shown above](#)

SAFE HARBOR STATEMENT

Cautionary Note about Forward-Looking Statements

Certain statements made by us in this presentation that are not historical facts or that relate to future plans, events or performances are forward-looking statements within the meaning of the federal securities laws. Our actual results may differ materially from those expressed in any forward-looking statements made by us. Forward-looking statements involve a number of risks of uncertainties including, but not limited to, the risks described in the Company's most recent 10-K and 10-Q filings. All forward-looking statements are qualified by those risk factors.

LABOR READY
Dependable Temporary Labor.

[Link to searchable text of the slide shown above](#)

INTRODUCTION TO PRESENTERS

- **Joe Sambataro**
CEO and President

- **Steve Cooper**
CFO and Executive Vice President



[Link to searchable text of the slide shown above](#)

EQUITY SNAPSHOT

▪ Exchange/Symbol	NYSE/LRW
▪ Share Price as of 5/1/2003	\$6.45
▪ Shares Outstanding ^(a)	41.7 M
▪ Average Volume (3-month avg.)	167,000
▪ Market Capitalization	\$250 M
▪ 2002 Revenues	\$863 M
▪ 2002 EBITDA	\$30 M
▪ Book Value per Share	\$3.17
▪ Price/Earnings	22X

(a) Fully diluted shares outstanding of 51.5M



[Link to searchable text of the slide shown above](#)

COMPANY OVERVIEW

"We put people to work."

- Largest supplier of temporary day labor in the U.S.
- Nearly 600,000 people employed in 2002
- 782 branches throughout the U.S., Canada and the U.K.
- Headquarters in Tacoma, Washington



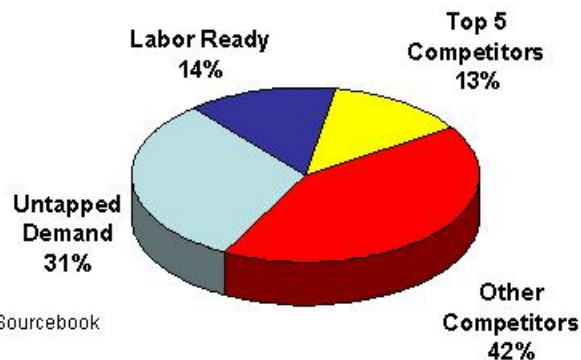
LABOR READY
Dependable Temporary Labor.

[Link to searchable text of the slide shown above](#)

FRAGMENTED, GROWTH INDUSTRY

- Staffing: \$149 billion industry ^(a)
- Industrial staffing: \$16 billion ^(a)
- Day labor market: \$5 billion ^(b)

Day Labor Market Breakdown



(a) 2003 Staffing Industry Sourcebook
(b) Research estimates

LABOR READY
Dependable Temporary Labor.

[Link to searchable text of the slide shown above](#)

DIVERSIFIED CUSTOMER BASE

- Nearly 275,000 customers
 - Largest customer represents less than 2% of sales
 - Average yearly sales per customer of \$3,000
- Over 400 industry classifications

Sales by Industry

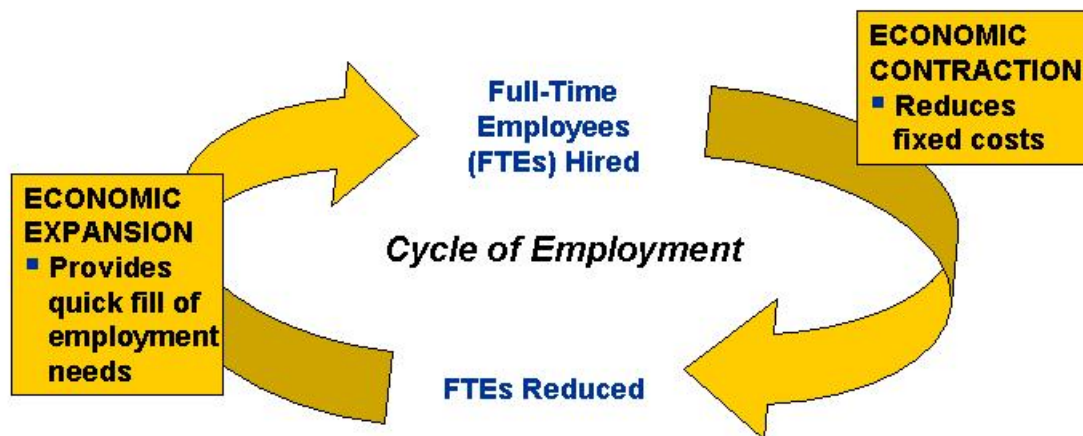
Construction & Landscaping	33%
Manufacturing	20%
Hospitality, Services & Other	20%
Transportation	10%
Wholesale	10%
Retail	7%

LABOR READY
Dependable Temporary Labor.

[Link to searchable text of the slide shown above](#)

ADVANTAGES OF TEMPORARY LABOR

- Enables flexibility throughout cycle of employment
- Covers workers' compensation and handles payroll taxes



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[Link to searchable text of the slide shown above](#)

STRONG VALUE PROPOSITION

Attracting customers with:

- National scale and multiple locations
- Reliable, quality service
 - Just-in-Time
 - President's 100% Satisfaction Guarantee
- Strong sales force



Attracting workers with:

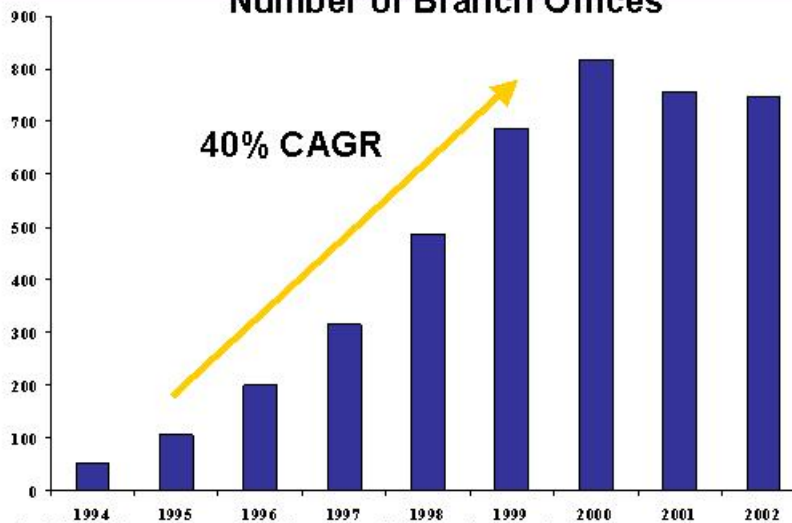
- Daily pay for work
- Cash payment option
- Route to full time employment

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RAPID BRANCH EXPANSION

Number of Branch Offices



- Quickly developed branch footprint
- Optimizing investment to extract leverage

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LABOR READY

Dependable Temporary Labor.

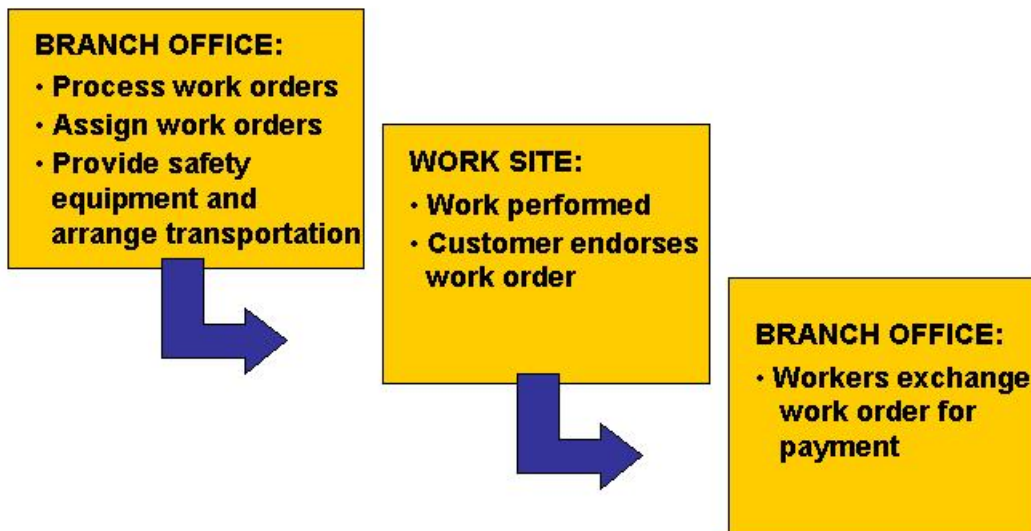


Labor Ready has 782 offices in the U.S., Canada and U.K.

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BRANCH OFFICE MODEL

- Real-time matching of customer and worker needs



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KEY REVENUE DRIVERS

- **Bill rate**
 - Wage inflation
 - Increased taxes and insurance
- **Volume of work orders**
 - Customer retention
 - Customer acquisition



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KEY BUSINESS STRATEGIES

- **Grow current markets**
- **Expand internationally**
- **Enhance customer service**
- **Expand in smaller markets**



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FINANCIAL HIGHLIGHTS

- Improving profitability
- Consistent gross margins
- Significant operating leverage
- Strong balance sheet



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FINANCIAL PERFORMANCE

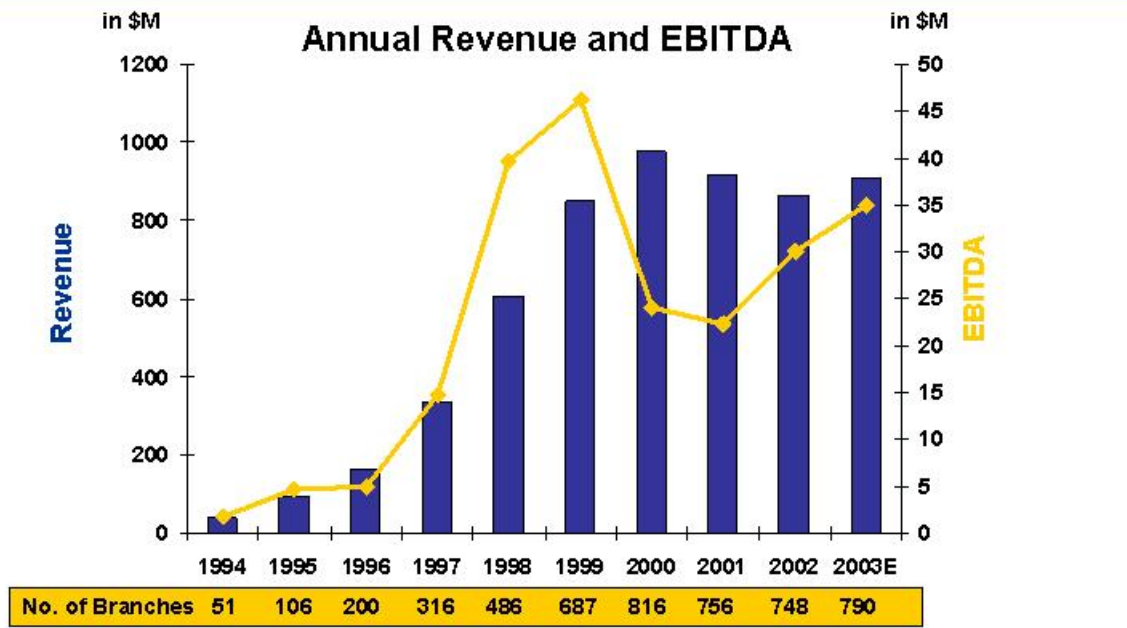
	2001	2002	2003 Forecast ^(a)
▪ Revenue	\$917M	\$863M	\$880-\$900M
▪ EPS	\$0.23	\$0.28	\$0.30-\$0.35
▪ EBITDA	\$22M	\$30M	\$35M

(a) Based on management guidance issued on April 15, 2003



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LONG-TERM GROWTH



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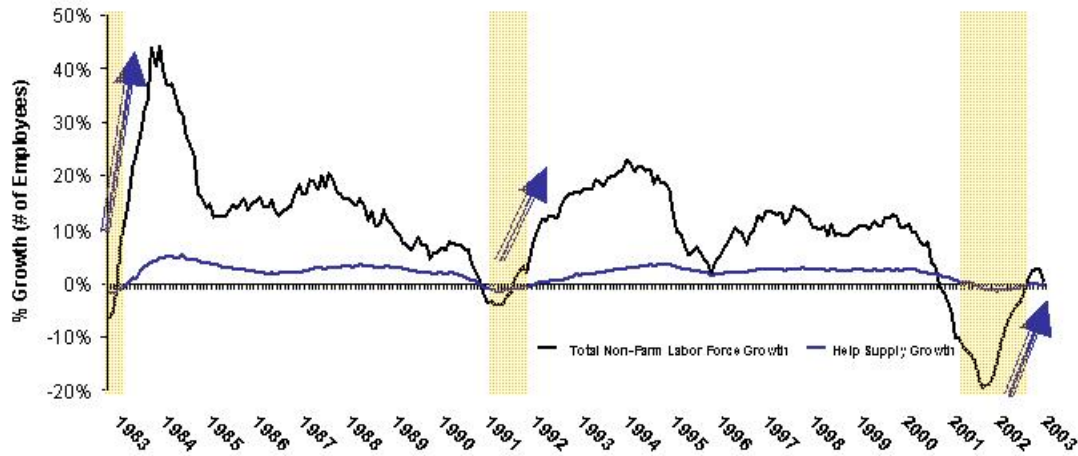
SEASONAL BUSINESS



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TRENDS IN TEMPORARY STAFFING

U.S. Help Supply



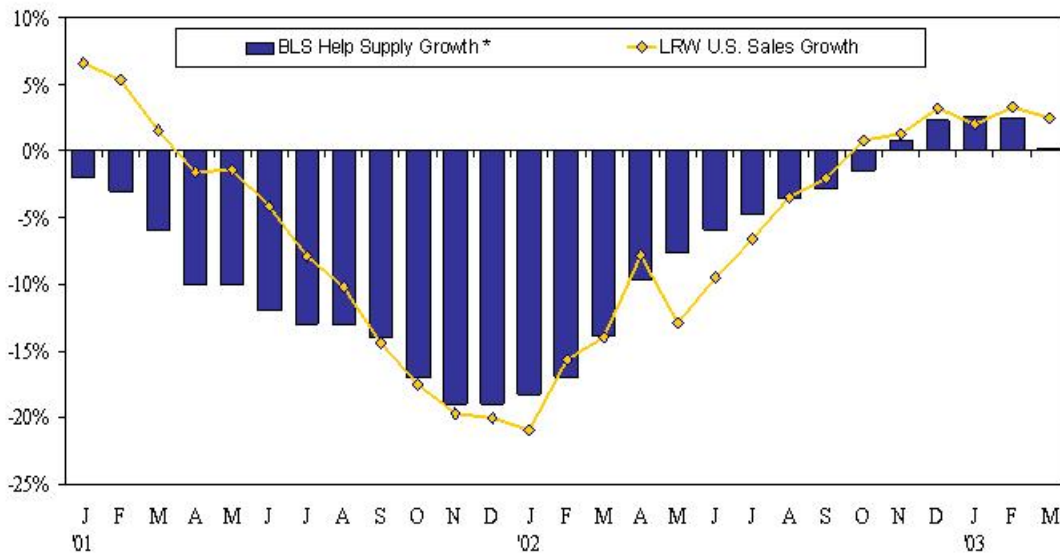
Cycle Expansions and Contractions: (1) Economic expansion began in November 1982; (2) Economic contraction began in July 1990 and expansion began in March 1991; (3) Economic contraction began in March 2001.

Source: Bureau of Labor Statistics and NBER



[Link to searchable text of the slide shown above](#)

LABOR READY VS. STAFFING INDUSTRY



* Not seasonally adjusted.



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BILL RATE ECONOMICS

\$12/hr. Bill Rate Illustration (a)

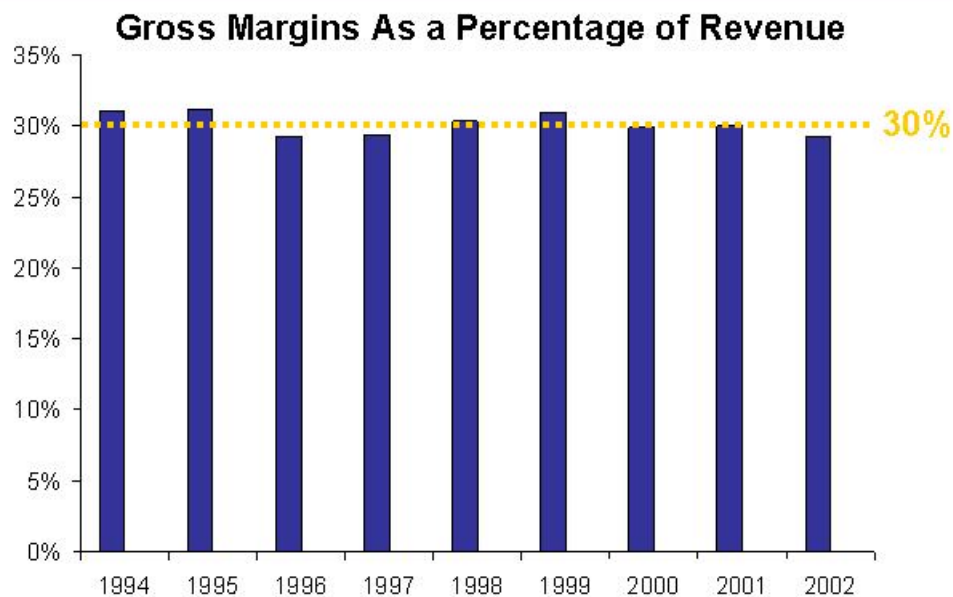


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LABOR READY
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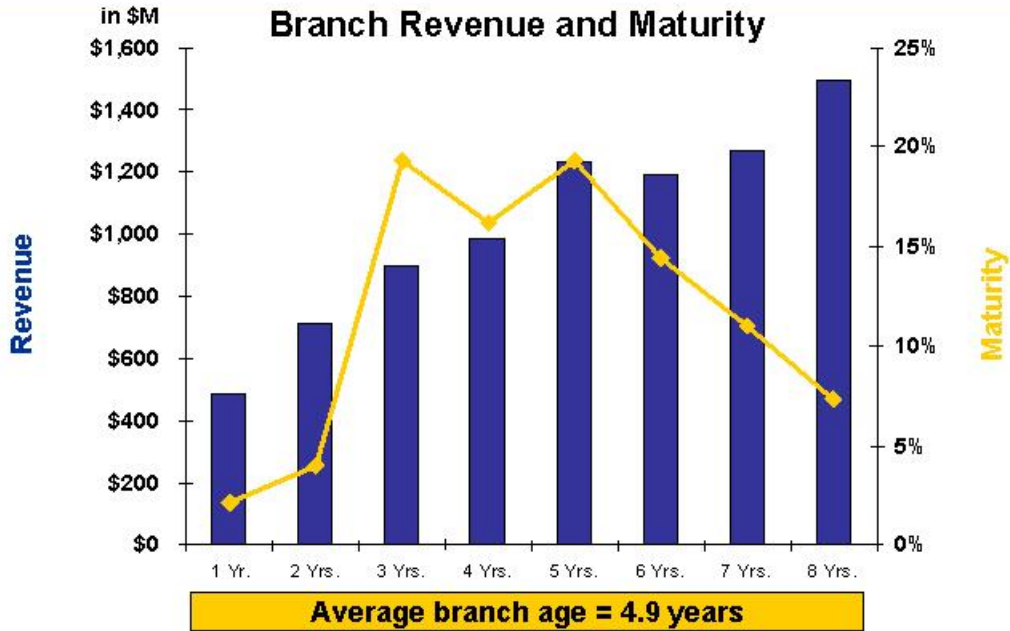
CONSISTENT GROSS MARGINS



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BRANCH MATURITY DRIVES REVENUE



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[Link to searchable text of the slide shown above](#)

BRANCH PROFIT POTENTIAL

Sensitivity analysis based on

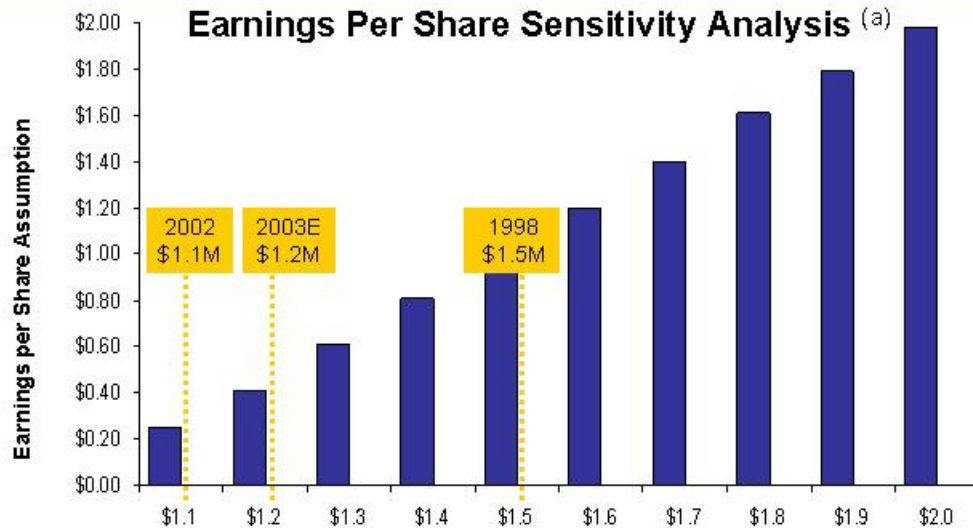


Revenue	\$1,100,000	\$1,500,000
Gross Profit	330,000	450,000
<i>Gross Profit Margin</i>	30%	30%
Branch Expenses	220,000	255,000
<i>As a % of Revenue</i>	20%	17%
Operating Income	\$110,000	\$195,000
<i>Operating Income Margin</i>	10%	13%

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OPERATING LEVERAGE DRIVES PROFITS



(a) Earnings per share sensitivity analysis based on 780 offices, 30% gross profit margin, management's estimates of fixed and variable expenses, regional and back office overhead and related assumptions, at varying levels of per office revenues.



[Link to searchable text of the slide shown above](#)

STRONG BALANCE SHEET

As of December 31, 2002:

▪ Cash and equivalents	\$91M
▪ Current ratio	3.0
▪ Restricted cash	\$95M
▪ Workers' compensation reserve	\$86M
▪ Long term debt	\$76M
▪ Shareholders' equity	\$132M
▪ DSOs	<30 days



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INVESTMENT HIGHLIGHTS

- Market leader in fragmented industry
- Diverse customer base
- Brand name recognition
- Scalable and flexible model
- Large and growing market



Labor Ready is poised to realize significant operating leverage as it benefits from an economic recovery and the maturation of its branch expansion program executed in the 1990s.



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Reconciliation of EBITDA to income before interest, taxes, extraordinary item and cumulative effect of an accounting change

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[GRAPHIC]

[LOGO]

INVESTOR RELATIONS
2nd QUARTER
2003

We Put People to Work.

SAFE HARBOR STATEMENT

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[LOGO]

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[GRAPHIC]

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Day Labor Market Breakdown

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Sales by Industry

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ADVANTAGES OF TEMPORARY LABOR

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[GRAPHIC]

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STRONG VALUE PROPOSITION

[GRAPHIC]

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RAPID BRANCH EXPANSION

Number of Branch Offices

[CHART]

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[LOGO]

[GRAPHIC]

United States:	706
Canada:	36
England:	36
Puerto Rico:	4

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BRANCH OFFICE MODEL

- **Real-time matching of customer and worker needs**

BRANCH OFFICE:

- **Process work orders**
- **Assign work orders**
- **Provide safety equipment and arrange transportation**

WORK SITE:

- **Work performed**
- **Customer endorses work order**

BRANCH OFFICE:

- **Workers exchange work order for payment**

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[GRAPHIC]

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• EPS	\$ 0.23	\$ 0.28	\$ 0.30-\$0.35
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LONG-TERM GROWTH

Annual Revenue and EBITDA

[CHART]

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SEASONAL BUSINESS

Quarterly Revenue

[CHART]

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CONSISTENT GROSS MARGINS

Gross Margins As a Percentage of Revenue

[CHART]

22

BRANCH MATURITY DRIVES REVENUE

Branch Revenue and Maturity

[CHART]

23

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