UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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 17, 2007

LABOR READY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Washington

(State or Other Jurisdiction of Incorporation)

001-14543

(Commission File Number)

91-1287341

(IRS Employer Identification No.)

1015 A Street, Tacoma, Washington

(Address of Principal Executive Offices)

98402

(Zip Code)

(253) 383-9101

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 17, 2007, Labor Ready, Inc. (the "Company") issued a press release (the "Press Release") reporting its financial results for the third quarter ended September 28, 2007 and earnings guidance for the fourth quarter of 2007, a copy of which is attached hereto as Exhibit 99.1 and the contents of which are incorporated herein by this reference.

In accordance with General Instruction B.2. of Form 8-K, the information contained in the Press Release shall not be deemed "Filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, 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.

Financial Statements and Exhibits. Item 9.01.

- (d) **Exhibits**
- 99.1. Press Release of the Company dated October 17, 2007.

2

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 hereunto duly authorized.

> LABOR READY, INC. (Registrant)

Date: October 17, 2007 By: /s/ Derrek Gafford

Derrek Gafford

Labor Ready Announces 2007 Third Quarter Results

TACOMA, Wash. – October 17, 2007 — Labor Ready, Inc. (NYSE:LRW) reported revenue for the third quarter ended Sept. 28, 2007 of \$390.7 million, an increase of 4.4 percent from \$374.1 million for the third quarter of 2006. Net income for the third quarter was \$22.7 million or \$0.51 per diluted share, a decrease in net income of 8.5 percent, as compared to \$24.8 million or \$0.48 per diluted share for the third quarter of 2006.

"Although the operating environment in industrial staffing remains difficult, we continued our positive momentum in same branch sales growth and stabilized our gross profit margin this quarter despite the minimum wage increases throughout the year," said Labor Ready CEO Steve Cooper.

Revenue for the quarter from branches open 12 months or longer increased 1.2 percent over the same quarter a year ago.

A recent acquisition provided 3 percent of additional revenue growth for the quarter. As expected, the acquisition's contribution to net income was slight due to related amortization of intangible assets.

Labor Ready opened six new branches and closed 19 branches during the quarter resulting in 919 branches in operation at the end of the quarter. The company anticipates closing approximately 16 additional branches during the fourth quarter of 2007.

"We will have closed approximately 47 branches during 2007 as a result of the downturn in demand for our services, said Cooper. "We are a disciplined company and will continue to use the flexibility of our business model to control costs and scale our operations to meet demand."

During the quarter the company purchased approximately 2.5 million shares of its outstanding common stock for \$53 million, which leaves \$40 million available to purchase additional shares under the current share repurchase authorization. Since the beginning of 2006, the company has purchased approximately 11.7 million shares of its common stock at the cost of \$237 million.

Labor Ready also provided guidance for the fourth quarter and updated its outlook for 2007. For the fourth quarter, the company estimates revenue in the range of \$345 million to \$350 million and net income per diluted share between \$0.32 and \$0.34.

Management will discuss the company's performance with analysts on a conference call at 5 p.m. (ET) today, Oct. 17, 2007. The conference call will be broadcast on the internet at www.laborready.com and archived later in the day for replay.

This news release contains forward-looking statements, such as statements about the ranges of revenues, gross margins and net income anticipated for future periods, improvements in safety and workers' compensation claims and costs, strategies for increasing revenue and net income, and other factors that may affect Labor Ready's financial results and operations in the future. Labor Ready's actual results are, however, subject to a number of risks, including without limitation the following: 1) national and global economic conditions, including the impact of changes in national and global credit markets and other changes on Labor Ready customers; 2) Labor Ready's ability to continue to attract and retain customers and maintain profit margins in the face of new and existing competition; 3) potential new laws and regulations that could have a materially adverse effect on Labor Ready's operations and financial results; 4) significant labor disturbances which could disrupt industries Labor Ready serves; 5) increased costs and collateral requirements in connection with Labor Ready's insurance obligations, including workers' compensation insurance; 6) the adequacy of Labor Ready's financial reserves; 7) Labor Ready's continuing ability to comply with financial covenants in its lines of credit and other financing agreements; 8) Labor Ready's ability to attract and retain competent employees in key positions or to find temporary employees or skilled trade workers to fulfill the needs of our customers; 9) Labor Ready's ability to successfully complete and integrate acquisitions that it may make from time to time; 10) Labor Ready's ability to timely execute strategies for acquired companies; and 11) other risks described in Labor Ready's filings with the Securities and Exchange Commission, including its most recent Form 10-K and Form 10-Q filings.

About Labor Ready

Labor Ready is an international provider of blue-collar staffing with three business lines including general labor, light industrial and skilled trades. The company operates under the brand names of Labor Ready for its general labor business line; Spartan Staffing for its light industrial business line; and CLP Resources for its skilled trades business line. The company's customers are primarily small to mid-sized businesses in the construction, warehousing, hospitality, landscaping, transportation, light manufacturing, retail, wholesale, facilities and sanitation industries. Annually, the company serves more than 300,000 customers and puts approximately 600,000 people to work through its more than 900 branch offices in the United States, Canada, and the United Kingdom. For additional information, visit Labor Ready's website at www.laborready.com.

For more information, contact:

Derrek Gafford, CFO 253-680-8214

Stacey Burke, VP, Corporate Communications 253-680-8291

LABOR READY, INC. SUMMARY CONSOLIDATED STATEMENTS OF INCOME In Thousands, except per share data (Unaudited)

		Thirteen Weeks Ended			Thirty-Nine Weeks Ended				
	Sept	September 28, 2007		September 29, 2006		September 28, 2007		September 29, 2006	
Revenue from services	\$	390,672	\$	374,126	\$	1,032,040	\$	1,010,970	
Cost of services		265,168		253,262		701,858		687,738	
Gross profit		125,504		120,864		330,182		323,232	
Selling, general and administrative expenses		89,077		81,790		248,355		235,523	
Depreciation and amortization		3,402		2,441		8,661		7,909	
Income from operations	·	33,025		36,633		73,166		79,800	
Interest and other income, net		2,504		3,018		8,223		8,765	

Income before tax expense Income tax Net income	\$	35,529 12,806 22,723	\$	39,651 14,823 24,828	\$	81,389 29,545 51,844	\$	88,565 33,655 54,910
Net income per common share: Basic Diluted	\$ \$	0.51 0.51	\$ \$	0.48 0.48	\$ \$	1.12 1.11	\$ \$	1.04 1.03
Weighted average shares outstanding: Basic Diluted		44,487 44,784		51,690 52,009		46,484 46,775		52,882 53,361

LABOR READY, INC. SUMMARY CONSOLIDATED BALANCE SHEET In Thousands

	 September 28, 2007 (unaudited)		December 29, 2006	
Assets				
Current assets				
Cash and cash equivalents	\$ 55,884	\$	107,944	
Marketable securities	10,697		91,510	
Accounts receivable, net	153,509		120,173	
Other current assets	29,621		20,131	
Total current assets	249,711		339,758	
Property and equipment, net	42,659		31,949	
Other assets	234,136		220,599	
Total assets	\$ 526,506	\$	592,306	
Liabilities and shareholders' equity				
Current liabilities	\$ 110,201	\$	101,385	
Long-term liabilities	 146,480		138,403	
Total liabilities	256,681		239,788	
Shareholders' equity	269,825		352,518	
Total liabilities and shareholders' equity	\$ 526,506	\$	592,306	

LABOR READY, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS In Thousands (Unaudited)

		Thirty-Nine Weeks Ended		
	Sep	tember 28, 2007	September 29, 2006	
Cash Flows from Operating activities:				
Net income	\$	51,844 \$	54,910	
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		8,661	7,909	
Provision for doubtful accounts		7,543	5,445	
Deferred income taxes		(4,458)	(8,993	
Stock-based compensation		5,457	5,129	
Excess tax benefits from stock-based compensation		(1,293)	(3,741	
Other operating activities		105	423	
Changes in operating assets and liabilities, exclusive of business acquired:				
Accounts receivable		(34,904)	(27,366	
Income taxes		10,829	5,798	
Other assets		298	(6,559	
Accounts payable		1,696	(3,708	
Accrued wages and benefits		(342)	529	
Workers' compensation claims reserve		5,621	17,568	
Other current liabilities			(38	
Net cash provided by operating activities		51,057	47,306	
Cash Flows from Investing activities:				
Capital expenditures		(16,311)	(10,141	
Maturities of marketable securities		227,706	57,771	
Purchases of marketable securities		(146,901)	(59,410	
Purchase of Skilled Services Corporation, net of cash acquired		(26,456)	_	
Change in restricted cash and other assets		809	284	
Other		(167)	(167	
Net cash provided by (used in) investing activities		38,680	(11,663	
Cash Flows from Financing activities:				
Purchase and retirement of common stock		(148,233)	(59,865	
Net proceeds from sale of stock through options and employee benefit plans		4,092	3,385	

Excess tax benefits from stock-based compensation	1,293	3,741
Payments on debt	(842)	(1,013)
Net cash used in financing activities	(143,690)	(53,752)
Effect of exchange rates on cash	1,893	985
Net change in cash and cash equivalents	(52,060)	(17,124)
Cash and cash equivalents, beginning of period	107,944	82,155
Cash and cash equivalents, end of period	<u>\$ 55,884</u>	\$ 65,031