

**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 15, 2008**

TRUEBLUE, 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 15, 2008, TrueBlue, Inc. (the "Company") issued a press release (the "Press Release") reporting its financial results for the third quarter ended September 26, 2008 and revenue and earnings guidance for the fourth quarter of 2008, a copy of which is attached hereto as Exhibit 99.1 and the contents of which are incorporated herein by this reference.

Item 7.01. Regulation FD Disclosure.

In connection with the scheduled conference call at 2 p.m. (PT), Wednesday, October 15, 2008 to discuss the Company's financial results for the third quarter ended September 26, 2008, management of the Company may discuss or refer to some of the information contained in the attached "2008 Assumptions" document, which is attached to this report as Exhibit 99.2.

In accordance with General Instruction B.2. of Form 8-K, the information contained above in this report (including the Press Release and the "2008 Assumptions" document 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 the Press Release or the "2008 Assumptions" document 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. This report will not be deemed a determination or an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 99.1. Press Release of the Company dated October 15, 2008.
- 99.2. "2008 Assumptions" document.

SIGNATURES

duly authorized.

TRUEBLUE, INC.
(Registrant)

Date: October 15, 2008

By: /s/ James E. Defebaugh
James E. Defebaugh
Executive Vice President,
General Counsel and Secretary

FOR IMMEDIATE RELEASE:

TRUEBLUE REPORTS 2008 THIRD QUARTER RESULTS

Tacoma, WA – Oct. 15, 2008

Third Quarter Summary

- Revenue of \$388 million, a decrease of 1% compared to the third quarter of 2007.
- Net income of \$16.3 million, a decrease of 28% compared to the third quarter of 2007.
- Diluted net income per common share of \$0.38 compared to \$0.51 for the third quarter of 2007.
- EBITDA(a) of \$29.0 million, a decrease of 21% compared to the third quarter 2007.

The one percent revenue decline for the quarter consisted of 16 percent growth from acquisitions completed within the last 12 months offset by a 17 percent decrease in organic revenue, which consists of total revenue growth less growth from acquisitions.

“As a result of the weak economy, demand for our services declined across most of the markets we serve, and we responded by accelerating plans to close branches and implementing other cost controls,” said TrueBlue CEO Steve Cooper. “We will continue to aggressively manage costs during these challenging times.”

Branch Activity

TrueBlue closed eight branches resulting in 919 total branches in operation at the end of the quarter bringing year-to-date branch closures for 2008 to 32 branches. The company plans to close 17 branches during the fourth quarter of 2008 and is currently evaluating additional branches to close.

Q4 Outlook

For the fourth quarter of 2008, TrueBlue estimates revenue in the range of \$325 to \$335 million with net income per diluted share for the quarter in the range of \$0.10 to \$0.14.

Management will discuss third quarter 2008 results on a conference call at 2 p.m. (PT), today, Wednesday Oct. 15, 2008. The conference call can be accessed on TrueBlue’s web site: www.TrueBlueInc.com.

About TrueBlue

TrueBlue (NYSE: TBI) is the leading provider of blue-collar staffing with revenue of approximately \$1.4 billion. Each year, TrueBlue connects approximately 600,000 people to work through the following brands: Labor Ready, PMI, Spartan Staffing, CLP Resources, PlaneTechs, and TLC Drivers. Headquartered in Tacoma, Wash., TrueBlue serves more than 300,000 small to mid-sized businesses in the construction, warehousing, hospitality, landscaping, transportation, light manufacturing, retail, wholesale, facilities, sanitation, and aviation industries. For more information, visit TrueBlue’s website at www.TrueBlueInc.com

Forward-looking Statements

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 TrueBlue’s financial results and operations in the future. TrueBlue’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 TrueBlue customers; 2) TrueBlue’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 TrueBlue’s operations and financial results; 4) significant labor disturbances which could disrupt industries TrueBlue serves; 5) increased costs and collateral requirements in connection with TrueBlue’s insurance obligations, including workers’ compensation insurance; 6) the adequacy of TrueBlue’s financial reserves; 7) TrueBlue’s continuing ability to comply with financial covenants in its lines of credit and other financing agreements; 8) TrueBlue’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) TrueBlue’s ability to successfully complete and integrate acquisitions that it may make from time to time; 10) TrueBlue’s ability to timely execute strategies for acquired companies; and 11) other risks described in TrueBlue’s filings with the Securities and Exchange Commission, including its most recent Form 10-K and Form 10-Q filings.

Definitions

(a) EBITDA is defined, discussed and reconciled to net income in the financial schedules filed with this release.

Contacts

Derrek Gafford, EVP & CFO
253-680-8214

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

TrueBlue, Inc.
SUMMARY CONSOLIDATED STATEMENTS OF INCOME
In Thousands, except per share data
(Unaudited)

	<u>Thirteen Weeks Ended</u>		<u>Thirty-Nine Weeks Ended</u>	
	<u>September 26,</u> <u>2008</u>	<u>September 28,</u> <u>2007</u>	<u>September 26,</u> <u>2008</u>	<u>September 28,</u> <u>2007</u>
Revenue from services	\$ 387,914	\$ 390,672	\$ 1,082,640	\$ 1,032,040
Cost of services	272,736	265,168	758,564	701,858

Gross profit	115,178	125,504	324,076	330,182
Selling, general and administrative expenses	86,226	89,077	253,279	248,355
Depreciation and amortization	3,988	3,402	11,863	8,661
Income from operations	24,964	33,025	58,934	73,166
Interest and other income, net	1,049	2,504	4,569	8,223
Income before tax expense	26,013	35,529	63,503	81,389
Income tax expense	9,678	12,806	21,639	29,545
Net income	\$ 16,335	\$ 22,723	\$ 41,864	\$ 51,844
Net income per common share:				
Basic	\$ 0.38	\$ 0.51	\$ 0.97	\$ 1.12
Diluted	\$ 0.38	\$ 0.51	\$ 0.97	\$ 1.11
Weighted average shares outstanding:				
Basic	42,460	44,487	43,005	46,484
Diluted	42,695	44,784	43,176	46,775

TrueBlue, Inc.
SUMMARY CONSOLIDATED BALANCE SHEETS
In Thousands

	September 26, 2008 (Unaudited)	December 28, 2007
Assets		
Current assets		
Cash and cash equivalents	\$ 57,480	\$ 57,008
Marketable securities	—	10,954
Accounts receivable, net	155,652	140,027
Other current assets	27,737	21,519
Total current assets	240,869	229,508
Property and equipment, net	58,184	44,909
Restricted cash	127,785	132,497
Other assets	154,606	138,335
Total assets	\$ 581,444	\$ 545,249
Liabilities and shareholders' equity		
Current liabilities		
Long-term liabilities	\$ 108,857	\$ 114,538
Total liabilities	156,241	146,884
Shareholders' equity	265,098	261,422
Total liabilities and shareholders' equity	316,346	283,827
	\$ 581,444	\$ 545,249

TrueBlue, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
In Thousands
(Unaudited)

	Thirty-Nine Weeks Ended	
	September 26, 2008	September 28, 2007
Cash flows from operating activities:		
Net income	\$ 41,864	\$ 51,844
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,863	8,661
Provision for doubtful accounts	6,697	7,543
Stock-based compensation	6,229	5,457
Excess tax benefits from stock-based compensation	—	(1,293)
Deferred income taxes	(7,102)	(4,458)
Other operating activities	530	105
Changes in operating assets and liabilities, exclusive of businesses acquired:		
Accounts receivable	(11,394)	(34,904)
Income taxes	(4,350)	9,957
Other assets	—	298
Accounts payable and other accrued expenses	(1,663)	1,696
Accrued wages and benefits	(2,654)	(342)
Workers' compensation claims reserve	4,106	5,621
Other liabilities	(3,216)	872
Net cash provided by operating activities	40,910	51,057
Cash flows from investing activities:		
Capital expenditures	(20,009)	(16,311)
Purchases of marketable securities	(27,158)	(146,901)
Maturities of marketable securities	38,087	227,706

Acquisitions of businesses, net of cash acquired	(21,270)	(26,456)
Change in restricted cash	4,712	809
Other	—	(167)
Net cash provided by (used in) investing activities	<u>(25,638)</u>	<u>38,680</u>
Cash flows from financing activities:		
Purchases and retirement of common stock	(15,997)	(148,233)
Net proceeds from sale of stock through options and employee benefit plans	3,173	5,046
Shares withheld for taxes upon vesting of restricted stock	(918)	(954)
Excess tax benefits from stock-based compensation	—	1,293
Payments on debt	(193)	(842)
Other	(229)	—
Net cash used in financing activities	<u>(14,164)</u>	<u>(143,690)</u>
Effect of exchange rates on cash	<u>(636)</u>	<u>1,893</u>
Net change in cash and cash equivalents	472	(52,060)
CASH AND CASH EQUIVALENTS, beginning of period	57,008	107,944
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 57,480</u>	<u>\$ 55,884</u>

TrueBlue, Inc.
2008 ASSUMPTIONS
(Unaudited)

	<u>2008 Estimate</u>
Branches in operation on September 26, 2008	919
New branches left to open in 2008	0
Revenue growth from acquisitions	16%
Revenue loss from closed branches	-3.0%
Reduction in SG&A from branch closures	\$13 M
Incremental SG&A from acquisitions	\$21 M
Additional SG&A from incremental same branch revenue	10%
Gross Margin	29.7%
Depreciation & Amortization	\$17 M
Capital Expenditures	\$26 M
Income Tax Rate	34.5%
Weighted Average Diluted Share Count	43 M

TrueBlue, Inc.
Analysis of Revenue Growth / (Decline)
(Unaudited)

	<u>Thirteen Weeks Ended</u>		<u>Thirty-Nine Weeks Ended</u>	
	<u>September 26, 2008</u>	<u>September 28, 2007</u>	<u>September 26, 2008</u>	<u>September 28, 2007</u>
Same branch	-14.7%	1.2%	-9.7%	-0.2%
New branches	0.6%	1.1%	0.9%	1.3%
Closed branches	-3.0%	-1.4%	-3.1%	-1.3%
Currency and other	-0.1%	0.5%	0.3%	0.4%
Total organic revenue growth / (decline)	-17.2%	1.4%	-11.6%	0.2%
Acquisitions within last 12 months	16.5%	3.0%	16.5%	1.9%
Total revenue growth / (decline)	-0.7%	4.4%	4.9%	2.1%

TrueBlue, Inc.
Analysis of Year-Over-Year Same Branch Revenue Growth / (Decline)
(Unaudited)

	<u>Same Branch Growth / (Decline)</u>
July 2008 same branch sales growth	-12.2%
August 2008 same branch sales growth	-14.7%
September 2008 same branch sales growth	-16.5%

TrueBlue, Inc.
Reconciliation of Net Income to EBITDA
In Thousands
(Unaudited)

	<u>Thirteen Weeks Ended</u>		<u>Thirty-Nine Weeks Ended</u>	
	<u>September 26, 2008</u>	<u>September 28, 2007</u>	<u>September 26, 2008</u>	<u>September 28, 2007</u>
Net Income	\$ 16,335	\$ 22,723	\$ 41,864	\$ 51,844
Income tax expense	9,678	12,806	21,639	29,545
Income before tax expense	26,013	35,529	63,503	81,389
Interest and other income, net	(1,049)	(2,504)	(4,569)	(8,223)
Income from operations	24,964	33,025	58,934	73,166
Acquisition-related intangibles amortization	1,870	880	5,101	2,078
Depreciation	2,118	2,522	6,762	6,583
EBITDA*	<u>\$ 28,952</u>	<u>\$ 36,427</u>	<u>\$ 70,797</u>	<u>\$ 81,827</u>

*EBITDA is a non-GAAP financial measure. We believe EBITDA is a useful and relevant measure as it is commonly used by capital markets to value enterprises and assess financial operating results. Interest, taxes, depreciation, and amortization can vary significantly between companies in part due to differences in accounting policies, acquisitions, tax strategies, levels of investable assets, levels of indebtedness, and interest rates. Additionally, EBITDA is considered a reasonable approximation of cash flow and is one of the measures used for determining our debt compliance, rates and capacity. Due to the reasons listed above, management believes EBITDA is useful information for investors. However, EBITDA should not be used as a substitute for, and is not superior to, measures of financial performance prepared in accordance with GAAP. Likewise, the use of EBITDA may not be comparable to similarly titled measures reported by other companies.