



Resources Connection, Inc. Reports Third Quarter Results

March 18, 2002

Resources Connection, Inc. Reports Third Quarter Results Costa Mesa, Calif., March 18, 2002 -- Resources Connection, Inc. (NASDAQ: RECN), an international professional services firm that provides accounting and finance, human capital and information technology services on a project basis, today announced financial results for its third fiscal quarter ended February 28, 2002.

Total revenues were \$42.6 million for the third quarter of fiscal 2002, a decrease of 14.4% from the \$49.8 million of the comparable quarter in fiscal 2001. Net income for the quarter ended February 28, 2002, decreased 35.5% to \$2.7 million, or \$0.12 per diluted share, compared to net income before extraordinary charge of \$4.1 million or \$0.19 per diluted share in the February 2001 quarter.

For the first nine months of fiscal 2002, revenues increased 2.3% to \$137.2 million from \$134.0 million for the comparable period in the prior year. Net income increased 15.9% to \$10.6 million, or \$0.47 per diluted share, for the nine months ended February 28, 2002, versus net income before extraordinary charge of \$9.2 million, or \$0.50 per diluted share, in the comparable period in fiscal 2001.

"As we previously announced, the economic slow-down has continued to put pressure on our results," said Chairman and CEO Donald Murray. "The normal holiday slowdown we experience was exaggerated this year since the Christmas and New Year's holidays fell on a Tuesday. Because of world events and the economic climate, more clients closed for the week and our associates opted to spend more time away from work. Many of our offices are beginning to see modest improvements in client financial advisory needs. However, during this period of uncertainty for both clients and the investment community, we are pushing forward with initiatives to our client and prospect base that highlight our abilities to supplement services previously provided by the Big 5 accounting firms. We believe that these initiatives have great potential for future revenue as independence concerns become increasingly important. We continue to work hard to position the company to take advantage of increased demand expected from the economic recovery. We also anticipate opening a Jacksonville, Florida office in the next quarter."

"Our gross margin decreased from 40.9% in last year's third quarter to 39.5% this quarter," Murray continued. "This is attributable to the reduced revenue levels this quarter to cover fixed costs, including holiday pay. We expect margins to recover to over 40% in the fourth quarter. Even in this difficult economic environment, our business model generated solid cash flows. At the end of the quarter, we had increased cash by \$9.7 million from the previous quarter end."

Resources Connection elected early adoption of new accounting rules in the first quarter of fiscal year 2002 which require the company to cease amortization of goodwill. If the same rule had been in effect in the prior fiscal year, net income before extraordinary charge would have been \$4.5 million or \$0.21 per diluted share for the three months ended February 28, 2001 and \$10.1 million or \$0.55 per diluted share for the nine months ended February 28, 2001.

In the prior year's third quarter, Resources Connection recorded an extraordinary charge of \$572,000, net of tax, to write off unamortized loan origination costs related to the company's senior and subordinated debt obligations that were repaid with proceeds from the company's December 2000 initial public offering of stock. The effect of the extraordinary charge was to reduce earnings per share by \$0.02 in the third quarter of fiscal 2001.

Resources Connection, Inc. is an international professional services firm that provides accounting and finance, human capital and information technology services on a project basis. Headquartered in Costa Mesa, California, the company operates from 42 domestic offices and four international offices. More information about the company is available at <http://www.resourcesconnection.com/>.

Resources Connection will hold a conference call for interested analysts and investors at 5:00 pm, EST today, March 18, 2002. This conference call will be available for listening via a webcast on the Company's Internet web site, at <http://www.resourcesconnection.com/>.

Certain statements in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements may be identified by words such as "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," or "will" or the negative of these terms or other comparable terminology. Such statements and all phases of Resources Connection's operations are subject to known and unknown risks, uncertainties and other factors, including seasonality, overall

economic conditions and other factors and uncertainties as are identified in Resources Connection's Form S-1, as amended (File No. 333-65272), Form 10-K for the year ended May 31, 2001, and Form 10-Q for the quarters ended August 31, 2001 and November 30, 2001 (File No. 0-32113). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Resources Connection's, and its industry's, actual results, levels of activity, performance or achievements may be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. The Company undertakes no obligation to update the forward-looking statements in this press release.

