

Resources Connection, Inc. Reports First Quarter Results

Revenue growth is 25% over prior year

Costa Mesa, Calif., September 25, 2001 -- 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 fiscal quarter ended August 31, 2001.

Total revenues increased 25% to \$48.9 million for the first quarter of fiscal 2002, from \$39.2 million for the comparable quarter in fiscal 2001. Net income for the quarter ended August 31, 2001, increased 94% to \$4.3 million, or \$0.19 per diluted share, compared to net income of \$2.2 million or \$0.13 per diluted share in the first quarter of fiscal 2001. Resources Connection has 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 would have been \$2.6 million or \$0.15 per diluted share.

"Even in a growing economy, the first quarter of our fiscal year is typically our slowest because client needs are reduced during the summer, in part due to vacations and slower economic activity," said Donald B. Murray, chairman, president and chief executive officer. "Nevertheless, our revenues in the first quarter grew 25% over the prior year first quarter. However, the remainder of the year will continue to be a challenge because of uncertainties caused by a slowing U.S. economy and the recent terrorist attacks."

"Because of these uncertainties," Murray said, "we will continue to monitor expense levels carefully. During the quarter, we reduced our general and administrative expenses from 27.4% to 26.3% of revenue year over year. And, in keeping with our long-term growth strategies, we have ventured into the European market with the opening of our London office in July. The company remains financially strong with \$37 million of cash, no long-term debt and receivables of \$23.9 million, consistent with the prior quarter."

Resources Connection completed a secondary public offering of its common stock on August 15, 2001. The offering (including the exercise of the underwriters' over-allotment on September 5, 2001) of approximately 4.1 million shares included 230,000 shares of common stock newly issued by the company and approximately 3.8 million shares of common stock sold by existing stockholders. The company plans to use its net proceeds of approximately \$3.8 million from the offering for working capital and general corporate purposes. Credit Suisse First Boston and Deutsche Banc Alex. Brown acted as co-lead underwriters for the offering. The stock is listed on the Nasdaq under the symbol RECN.

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 41 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 EDT today, September 25, 2001. 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) and Form 10-K for the year ended May 31, 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.

	Quarter Ended August 31,	
	2001	2000
	(unaudited)	
Revenue	\$48,872	\$39,155
Direct costs of services	<u>28,789</u>	<u>22,749</u>
Gross profit	20,083	16,406
Selling, general and administrative expenses	12,875	10,720
Amortization of intangible assets	31	578
Depreciation expense	257	192
Interest (income) expense, net	<u>(282)</u>	<u>1,209</u>
Income before provision for income taxes	7,202	3,707
Provision for income taxes	<u>2,881</u>	<u>1,483</u>
Net income	<u>\$4,321</u>	<u>\$2,224</u>
Diluted net income per share	<u>\$0.19</u>	<u>\$0.13</u>
Diluted shares	<u>22,749</u>	<u>16,819</u>

	<u>August 31, 2001</u>	<u>May 31, 2001</u>
	(unaudited)	
Cash and cash equivalents	\$37,043	\$34,503
Accounts receivable, less allowances	\$23,918	\$23,908
Total assets	\$110,551	\$105,345
Current liabilities	\$14,304	\$18,648
Total stockholders' equity	\$95,582	\$86,032