UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-K

ANNUAL REPORT
PURSUANT TO SECTIONS 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended May 31, 2008

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: 0-32113

RESOURCES CONNECTION, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**33-0832424**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*

17101 Armstrong Avenue, Irvine, California 92614
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(714) 430-6400

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, par value $0.01 per share	The NASDAQ Stock Market LLC (Nasdaq Global Select Market)
Rights to Purchase Junior Participating Preferred Stock	The NASDAQ Stock Market LLC (Nasdaq Global Select Market)

Securities registered pursuant to Section 12(g) of the Act:
None (Title of Class)

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No ☑

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ☑

As of November 23, 2007, the approximate aggregate market value of common stock held by non-affiliates of the Registrant was $896,380,000 (based upon the closing price for shares of the Registrant's common stock as reported by The Nasdaq Global Select Market). As of July 22, 2008, there were approximately 45,083,313 shares of common stock, $.01 par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant's definitive proxy statement for the 2008 Annual Meeting of Stockholders, is incorporated by reference in Part III of this Form 10-K to the extent stated herein.

RESOURCES CONNECTION, INC.

TABLE OF CONTENTS

		Page No.
	PART I	
ITEM 1.	BUSINESS	1
ITEM 1A.	RISK FACTORS	16
ITEM 1B.	UNRESOLVED STAFF COMMENTS	23
ITEM 2.	PROPERTIES	24
ITEM 3.	LEGAL PROCEEDINGS	24
ITEM 4.	SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	24
	PART II	
ITEM 5.	MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	25
ITEM 6.	SELECTED FINANCIAL DATA	28
ITEM 7.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	29
ITEM 7A.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	40
ITEM 8.	FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	41
ITEM 9.	CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	65
ITEM 9A.	CONTROLS AND PROCEDURES	65
ITEM 9B.	OTHER INFORMATION	65
	PART III	
ITEM 10.	DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	66
ITEM 11.	EXECUTIVE COMPENSATION	66
ITEM 12.	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	66
ITEM 13.	CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	67
ITEM 14.	PRINCIPAL ACCOUNTING FEES AND SERVICES	67
	PART IV	
ITEM 15.	EXHIBITS, FINANCIAL STATEMENT SCHEDULES	67

EXHIBIT 10.26
EXHIBIT 21.1
EXHIBIT 23.1
EXHIBIT 31.1
EXHIBIT 31.2
EXHIBIT 32.1
EXHIBIT 32.2

In this Report on Form 10-K, "Resources," "Resources Connection," "Resources Global Professionals", "Resources Global," "company," "we," "us" and "our" refer to the business of Resources Connection, Inc. and its subsidiaries. References in this Report on Form 10-K to "fiscal," "year" or "fiscal year" refer to our fiscal years that consist of the 52- or 53-week period ending on the Saturday in May closest to May 31. The fiscal year ended May 31, 2008 consisted of 53 weeks. The fiscal years ended May 26, 2007 and May 27, 2006 consisted of 52 weeks.

This Report on Form 10-K, including information incorporated herein by reference, contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to expectations concerning matters that are not historical facts. 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.

Our actual results, levels of activity, performance or achievements and those of our industry may be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements and all phases of our operations are subject to known and unknown risks, uncertainties and other factors, , including those made in Item 1A of this Annual Report on Form 10-K, as well as our other reports filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report. We do not intend, and undertake no obligation to update the forward-looking statements in this filing to reflect events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. *BUSINESS.*

Overview

Resources Connection is a multi-national professional services firm; its operating entities provide services under the name Resources Global Professionals (“Resources Global” or the “Company”). The Company provides experienced finance, accounting, risk management and internal audit, information management, human resources, supply chain management, actuarial and legal services professionals in support of client-led projects and initiatives. We assist our clients with discrete projects requiring specialized expertise in:

- finance and accounting services, such as mergers and acquisitions due diligence, initial public offering assistance and assistance in the preparation or restatement of financial statements, financial analyses (e.g., product costing and margin analyses), corporate reorganizations, budgeting and forecasting, audit preparation, public-entity reporting and tax-related projects;
- information management services, such as financial system/enterprise resource planning implementation and post implementation optimization;
- human capital services, such as change management and compensation program design and implementation;
- risk management and internal audit services (provided via our subsidiary Resources Audit Solutions or “RAS”), including compliance reviews, internal audit co-sourcing and assisting clients with their compliance efforts under the Sarbanes-Oxley Act of 2002 (“Sarbanes”);
- supply chain management (“SCM”) services, such as strategic sourcing efforts, contracts negotiation and purchasing strategy; and
- actuarial services, such as for pension and life insurance companies;
- legal services, such as providing attorneys, paralegals and contract managers to assist clients (including law firms) with project-based or peak period needs.

We were founded in June 1996 by a team at Deloitte & Touche LLP (“Deloitte & Touche”), led by our executive chairman, Donald B. Murray, who was then a senior partner with Deloitte & Touche and Karen M. Ferguson, president of our North American operations, among others. Our founders created Resources Connection to capitalize on the increasing demand for high quality outsourced professional services. We operated as a part of Deloitte & Touche from our inception in June 1996 until April 1999. In April 1999, we completed a management-led buyout.

Our business model combines the client service orientation and commitment to quality from our legacy as part of a Big Four accounting firm with the entrepreneurial culture of an innovative, high-growth company. We are positioned to take advantage of what we believe are two converging trends in the outsourced professional services industry: the increasing global demand for outsourced professional services by corporate clients and a supply of professionals interested in working in a non-traditional professional services firm. We believe our business model allows us to offer challenging yet flexible career opportunities, attract highly qualified, experienced professionals and, in turn, attract clients with challenging professional needs.

As of May 31, 2008, we employed 3,490 professional service associates on assignment. Our associates have professional experience in a wide range of industries and functional areas. Based upon an internal survey conducted in June 2008, and completed by 64% of our active associates, 46% of our active associates are CPAs (including 45% of our associates in the United States), 41% have advanced professional degrees, and the average years of professional experience is approximately 24. We offer our associates careers that combine the flexibility of project-based work with many of the advantages of working for a traditional professional services firm.

We served a diverse base of more than 2,400 clients during fiscal 2008, ranging from large corporations to mid-sized companies to small entrepreneurial entities, in a broad range of industries. For example, our clients have included more than eighty-four of the companies that have been in the Fortune 100. We have grown revenues from

$202.0 million in fiscal 2003 to $840.3 million in fiscal 2008, a five-year compound annual growth rate, or CAGR, of 33.0%, and our income from operations over the same period has increased from $20.2 million to $84.5 million, a five-year CAGR of 33.1%. We have been profitable every year since inception. As of May 31, 2008, we served our clients through 56 offices in the United States and 33 offices abroad.

During our first three years of operations, our offices were located only in the United States. As the Company evolved, we have increased our presence in other regions around the world. During fiscal 2008, we acquired two companies with operations in Europe: Compliance Solutions, a United Kingdom-based provider of regulatory compliance services to investment advisors, hedge funds, private equity and venture capital firms, insurance companies and other financial institutions; and Domenica B.V. (“Domenica”), a Netherlands based provider of actuarial services to pension and life insurance companies. In Germany, we closed our temporary office in Düsseldorf and opened an office in Frankfurt. We also opened offices in the United States in Tulsa, Oklahoma; Raleigh, North Carolina; and Richmond, Virginia, while consolidating our office in Grand Rapids, Michigan into our Detroit, Michigan operation. During fiscal 2007, we opened our first two offices in Mexico (Mexico City and Tijuana); our first office in Germany (Düsseldorf); our first office in Italy (Milan); and additional offices in Japan (Nagoya); Canada (Montreal); United Kingdom (Edinburgh); People’s Republic of China (Shanghai); and the United States (Glenview, Illinois). While much of our growth in countries outside of the United States has resulted from the establishment of new Resources Global offices, we also completed a number of acquisitions prior to fiscal 2008 to build our presence and to serve our multinational clients around the world (including acquisitions prior to fiscal 2008 in the Netherlands, Australia, Sweden and India).

We are a multi-national company with offices in twenty countries. Revenue for the Company’s major practice areas was as follows (in thousands):

	Revenue for the Year Ended			% of Total	
	May 31, 2008	May 26, 2007	% Change	May 31, 2008	May 26, 2007
North America	$ 627,914	$ 571,239	9.9%	74.7%	77.6%
Europe	171,728	131,316	30.8%	20.4%	17.9%
Asia Pacific	40,643	33,336	21.9%	4.9%	4.5%
Total	$ 840,285	$ 735,891	14.2%	100.0%	100.0%

We believe our distinctive culture is a valuable asset and is, in large part, due to our management team, which has extensive experience in the professional services industry. Most of our senior management and office managing directors have Big Four experience and an equity interest in our Company. This team has created a culture of professionalism that we believe fosters in our associates a feeling of personal responsibility for, and pride in, client projects and enables us to deliver high-quality service to our clients.

Industry Background

Demand for Project Professional Services

Resources Global’s services cover a range of professional areas, with over 50% of revenues derived from accounting and finance-related services. The market for professional services is broad and fragmented and independent data on the size of the market is not readily available. Because of the corporate scandals documented in the media over the last several years, we believe the market for professional services is changing rapidly and that companies may be more willing to choose alternatives to traditional professional service providers. We believe Resources Global is a viable alternative to traditional accounting and consulting firms in numerous instances because, by using project professionals, companies can:

- strategically access specialized skills and expertise;
- effectively supplement internal resources;
- increase labor flexibility; and
- reduce their overall hiring, training and termination costs.

Typically, companies use a variety of alternatives to fill their project needs. Companies outsource entire projects to consulting firms; this provides them access to the expertise of the firm but often entails significant cost and less management control of the project. Companies also supplement their internal resources with employees from the Big Four accounting firms or other traditional professional services firms; however, these arrangements are on an ad hoc basis and have been increasingly limited by regulatory concerns focused on external auditor independence. Companies use temporary employees from traditional and Internet-based staffing firms, who may be less experienced or less qualified than employees from professional services firms. Finally, some companies rely solely on their own employees who may lack the requisite time, experience or skills.

Supply of Project Professionals

Concurrent with the growth in demand for outsourced professional services, we believe, based on demographic trends in the U.S. and discussions with our associates, that the number of professionals seeking to work on a project basis has increased due to a desire for:

- more flexible hours and work arrangements, coupled with competitive wages and benefits and a professional culture;
- challenging engagements that advance their careers, develop their skills and add to their experience base; and
- a work environment that provides a diversity of, and more control over, client engagements.

The employment alternatives historically available to professionals may fulfill some, but not all, of an individual's career objectives. A professional working for a Big Four firm or a consulting firm may receive challenging assignments and training, but may encounter a career path with less choice and less flexible hours, extensive travel and limited control over work engagements. Alternatively, a professional who works as an independent contractor faces the ongoing task of sourcing assignments and significant administrative burdens.

Resources Global Professionals' Solution

We believe that Resources Global is positioned to capitalize on the confluence of the industry trends described above. We believe, based on discussions with our clients, that Resources Global provides clients seeking project professionals with high-quality services because we are able to combine all of the following:

- a relationship-oriented approach to assess our clients' project needs;
- highly qualified professionals with the requisite skills and experience;
- competitive rates on an hourly, instead of a per project, basis; and
- significant client control of their projects.

Resources Global Professionals' Strategy

Our Business Strategy

We are dedicated to providing highly qualified and experienced finance, accounting, risk management and internal audit, human capital, supply chain management, information management and legal services professionals to meet our clients' project and interim professional services needs. Our objective is to be the leading provider of these project-based professional services. We have developed the following business strategies to achieve this objective:

- *Maintain our distinctive culture.* Our corporate culture is the foundation of our business strategy and we believe it has been a significant component of our success. Our senior management, virtually all of whom are Big Four or other professional services firm alumni, has created a culture that combines the commitment to quality and the client service focus of a Big Four firm with the entrepreneurial energy of an innovative, high-growth company. We seek associates and management with talent, integrity, enthusiasm and loyalty ("TIEL") to strengthen our team and support our ability to provide clients with high-quality services.

We believe that our culture has been instrumental to our success in hiring and retaining highly qualified employees and, in turn, attracting clients.

- *Hire and retain highly qualified, experienced associates.* We believe our highly qualified, experienced associates provide us with a distinct competitive advantage. Therefore, one of our priorities is to continue to attract and retain high-caliber associates. We believe we have been successful in attracting and retaining qualified professionals by providing challenging work assignments, competitive compensation and benefits, and continuing education and training opportunities, while offering flexible work schedules and more control over choosing client engagements.
- *Build consultative relationships with clients.* We emphasize a relationship-oriented approach to business rather than a transaction-oriented or assignment-oriented approach. We believe the professional services experience of our management and associates enables us to understand the needs of our clients and to deliver an integrated, relationship-oriented approach to meeting their professional services needs. We regularly meet with our existing and prospective clients to understand their business issues and help them define their project needs. Once an initiative is defined, we identify associates with the appropriate skills and experience to meet the client's needs. We believe that by establishing relationships with our clients to solve their professional services needs, we are more likely to generate new opportunities to serve them. The strength and depth of our client relationships is demonstrated by two statistics: 1) during fiscal 2008, all of our fifty largest clients used more than one service line and 86% of those top fifty clients used three or more service lines; and 2) all of our largest 50 clients in fiscal 2006 remained clients in fiscal 2008 and 84% of our top 50 clients in 2003 were still clients in 2008.
- *Build the Resources Global brand.* Our objective is to build Resources Global's reputation as the premier provider of project-based professional services. Our primary means of building our brand is by consistently providing high-quality, value-added services to our clients. We have also focused on building a significant referral network through our 3,490 associates on assignment as of May 31, 2008 and 876 management and administrative employees. In addition, we have ongoing national and local marketing efforts that reinforce the Resources Global brand.

Our Growth Strategy

Most of our growth since inception has been organic rather than through acquisition. We believe we have significant opportunity for continued strong organic growth in our core business in addition to growth generated through our strategic acquisitions. In both our core and acquired businesses, key elements of our growth strategy include:

- *Expanding work from existing clients.* A principal component of our strategy is to secure additional initiative work from the clients we have served. We believe, based on discussions with our clients, that the amount of revenue we currently receive from many of our clients represents a relatively small percentage of the amount they spend on professional services, and that, consistent with industry trends, they may continue to increase the amount they spend on these services. We believe that by continuing to deliver high-quality services and by further developing our relationships with our clients, we can capture a significantly larger share of our clients' expenditures for professional services.
- *Growing our client base.* We will continue to focus on attracting new clients. We strive to develop new client relationships primarily by leveraging the significant contact networks of our management and associates and through referrals from existing clients. In addition, we believe we will attract new clients by building our brand name and reputation and through our national and local marketing efforts. The number of clients we serve has continued to increase, climbing from about 2,200 in 2007 to over 2,400 in fiscal 2008. In addition, the number of clients we served with client service revenues in excess of one million-dollars increased from 146 in fiscal 2007 to 176 in fiscal 2008. We anticipate that our growth efforts this year will continue to focus on identifying strategic target accounts that tend to be large multi-national companies.
- *Expanding geographically.* We have been expanding geographically to meet the demand for project professional services across the world. We believe, based upon our clients' requests, that there are significant

opportunities to continue to grow our business internationally and, consequently, we intend to continue to expand our international presence on a strategic and opportunistic basis. We may add to our existing domestic office network on an opportunistic basis when our existing clients have a need or if there is a new client opportunity.

- *Providing additional professional service offerings.* We will continue to develop and consider entry into new professional service offerings. Since fiscal 1999, we have diversified our professional service offerings by entering into the areas of human capital, information management, internal audit and risk management, supply chain management and legal services. Our considerations when evaluating new professional service offerings include cultural fit, growth potential, profitability, cross-marketing opportunities and competition.

Associates

We believe that an important component of our success has been our highly qualified and experienced associates. As of May 31, 2008, we employed or contracted with 3,490 associates on assignment. Our associates have professional experience in a wide range of industries and functional areas. We provide our associates with challenging work assignments, competitive compensation and benefits, and continuing education and training opportunities, while offering choice concerning work schedules and more control over choosing client engagements.

Almost all of our associates in the United States are employees of Resources Global. We typically pay each associate an hourly rate for each client service hour worked and, in some circumstances, limited administrative time, plus overtime premiums as required by law, and offer benefits, including: paid time off and holidays; referral bonus programs; group medical, dental and vision programs, each with an approximate 30-50% contribution by the associate; a basic term life insurance program; a 401(k) retirement plan with a discretionary company match; and professional development and career training. Typically, an associate must work a threshold number of hours to be eligible for all of these benefits. We also have a long-term incentive plan for our associates that provides the opportunity to earn an annual cash bonus vesting over time. In addition, we offer our associates the ability to participate in the Company’s Employee Stock Purchase Plan, which enables them to purchase shares of the Company’s stock at a discount. We intend to maintain competitive compensation and benefit programs.

Internationally, our associates are a mix between employees and independent contractors. Independent contractor arrangements are more common abroad than in the United States due to the labor laws, tax regulations and customs of the international markets we serve.

Clients

We provide our services to a diverse client base in a broad range of industries. In fiscal 2008, we served more than 2,400 clients. Our revenues are not concentrated with any particular client or clients, or within any particular industry. In fiscal 2008, our largest client accounted for less than 3% of our revenue and our 10 largest clients accounted for approximately 14% of our revenues.

The clients listed below represent the geographic and industry diversity of our client base in fiscal 2008.

AIG
Autoliv
BP
Burger King
ConocoPhillips
Delta Air Lines
Expedia, Inc.
Kaiser Permanente
Makita
McKesson Corporation
Office Depot
SONY
Sotheby’s
Tyco
Zurich North America Commercial

Services and Products

Resources Global was founded with a business model and operating philosophy rooted in the support of client-led projects and initiatives. Partnering with business leaders, we help clients implement internal initiatives. Often, we deliver our services to clients across multiple service lines: Finance and Accounting, Human Capital, Information Management, Legal Services, Internal Audit and Risk Management, Actuarial Services and Supply Chain Management. We also provide content management through our web-based application, policyIQ®.

Finance and Accounting

Our Finance and Accounting services encompass accounting operations, financial reporting, internal controls, financial analyses and business transactions. Clients utilize our services to bring accomplished talent to bear on change initiatives as well as day-to-day operational issues; we provide specialized skills and then transfer knowledge to clients in order to help them leverage their own personnel. Resources Global helps organizations to manage peak workload periods, add specific skill sets to certain projects, or have access to full project teams for a specific initiative.

Project examples include:

- restatements of previously issued financial statements;
- implementation of new accounting standards;
- post-merger and acquisition integration;
- external financial reporting and internal management reporting;
- financial analyses, such as product costing and margin analyses;
- remediation of internal control weaknesses;
- business process improvement; and
- interim accounting management roles, such as chief financial officer, controller and director of accounting.

In addition, we may assist with merger and acquisition projects, including divestitures and carve outs. Our finance and accounting associates assist with the following functions for clients involved in divestitures and carve outs:

- preparation of public filings related to the transactions;
- carve out audits; and
- providing subject matter experts to perform technical research of complex accounting transactions, implementations and interpretations of pronouncements of the Financial Accounting Standards Board (“FASB”).

Sample Engagement — Transition to IFRS: We are assisting a Canadian public company with a complex legal organizational structure, including international operations, with its transition from US generally accepted accounting principles (“GAAP”) and Canadian GAAP to International Financial Reporting Standards (“IFRS”). In April 2008, the Canadian Accounting Standards Board adopted IFRS in Canada, with a mandatory transition date for public enterprises effective for fiscal years beginning on or after January 1, 2011.

Our project team is assisting the client with a three-phase transition methodology. In phase I (already completed), the diagnostic phase, we developed a timeline for the transition process, identifying major milestones and deliverables required throughout the process, and a preliminary project plan transition overlay. In addition, we performed a diagnostic analysis of high-level issues expected to develop from the transition and prepared mock financial statements (using the Company’s 2007 annual report) adjusted to reflect the application of IFRS.

In future phases, we will develop a comprehensive list of detailed steps necessary to prepare the first complete IFRS financial statements and will document issues and solutions for integrating changes necessary in the Company’s underlying financial systems and processes.

Sample Engagement — Large-Scale Restatement: We provided 20 professionals to assist one of the nation's largest mortgage and real estate corporations with a multi-year accounting restatement, helping to analyze, document and improve core areas of the organization's accounting. Our professionals assisted by:

- managing teams that analyzed historical accounting practices and developed appropriate policies to ensure compliance with GAAP and FASB statements;
- developing tools to generate correct accounting entries;
- liaising between internal accounting teams and external auditors to field questions and facilitate progress of the audit;
- performing critical processes to complete successful filing of restated financial statements for prior year periods as well as the current period under audit; and
- performing account reconciliations in a variety of areas, including complex mortgage banking transactions as well as more routine processes, such as accounts payable and straight-line rent calculations.

Sample Engagement — Stock Option Accounting: We provided more than 20 professionals to assist a software company with a review of its historical stock option accounting. Two of the four project teams were led by Resources associates, who had responsibility for delivery of our services as well as interfacing with both the client's external auditors and forensic auditors appointed by the Board of Director's Special Committee. In addition, subsequent to filing its restated Form 10-K, the client was acquired by a Fortune 50 company and one of our professionals served as the lead on the finance team integration. Our professionals also assisted this client by:

- determining, based on forensic evidence and guidance from the Securities and Exchange Commission ("SEC"), the appropriate measurement date for thousands of stock options grants;
- gathering and analyzing specific equity data through analysis of records from human resources, legal and finance departments as well as other sources;
- identifying, compiling and determining the appropriate technical accounting treatment for various stock option modifications based upon accounting rules in place at the date of modification;
- assisting with the calculation of historical compensation expense charges;
- documenting findings of equity issues in technical white papers;
- preparing SEC and other regulatory filings associated with the restatement;
- performing additional technical research and documentation on non-equity accounting issues identified during the forensic review; and
- documenting and testing internal controls as part of Sarbanes compliance requirements.

Human Capital

Associates in our Human Capital practice apply project management and business analysis skills to help solve the human resource aspects of business problems while working under the client's direction as members of the project team. The two primary areas of our Human Capital practice are change management and human resources operations and technology.

Change Management: To achieve the desired business outcome, our Human Capital professionals with change management experience assist with the development and implementation of the process, tools and techniques that help clients manage the people side of business change.

More specifically, our professionals help our clients via:

- training and communication;
- aligning roles and responsibilities; and
- compensation and motivation strategies.

We help manage change resulting from acquisitions, mergers, reorganizations, system implementations, new legislative requirements (Sarbanes, Basel II, HIPAA, etc.), downsizing or any management initiative or reform effort.

Human Resources ("HR") Operations and Technology: Resources Global's Human Capital professionals, with backgrounds in HR operations and technology, possess the business acumen and technical skills to bring a blend of expertise to various projects, including:

Organizational Development

- performance measurement and management;
- process analysis and redesign;
- succession planning and career development programs; and
- employee retention programs, opinion surveys and communication programs.

Human Resources Information Systems ("HRIS")

- project management;
- change management;
- system selection and optimization;
- implementation;
- data conversion;
- post-implementation support; and
- supplementing client staff.

HR Operations

- HR management;
- compliance/legal;
- compensation;
- benefits;
- HR training; and
- recruitment.

Sample Engagement- Restructuring Assistance: Subsequent to assisting a global advertising company with their large restatement project, we evaluated the human resource challenges related to the reorganization of its international controllers group and presented our observations and recommendations during the client's controllers meeting. We helped improve the quality of the client's international controller organization by addressing the human resource aspects of the restructuring, leading to a stronger, cross divisional controllers' organization. Specifically, we supported the client's restructuring initiative in the following ways:

- *Communication:* Helped ensure effective communication.
- *Alignment of roles and responsibilities:* Reviewed roles, titles, skills, competencies, contracts, total compensation together with the local CFOs and department heads. In addition, coordinated the effort with the U.S. and local legal departments regarding contracts, local work councils and applicable local legislation.
- *Compensation and motivation:* Conducted benchmark surveys to determine appropriate salaries for newly created roles.

Sample Engagement — Assistance with Managing Growth: A large education company embarked on a steady acquisition and growth path to maintain its position as the leading provider of educational solutions, services and products for schools, libraries and colleges. As part of its leadership and acquisition strategy, the company needed to develop an internal and external communication plan, create a new enterprise-wide compensation structure, and adopt a leading edge, consumer-driven health care program for all employees. Our Human Capital professionals helped by managing and executing the company's changes.

Our project managers and technical professionals helped execute a multi-phased implementation plan, assisted with market pricing, helped realign roles and responsibilities, and redesigned the company's compensation strategy. In addition, we helped the client transition to a consumer-driven healthcare-focused company by providing guidance regarding plan design, internal communications, and a training plan rollout. We worked directly with the CEO on all internal and external corporate communications.

Sample Engagement — Process Improvement: A multi-billion health benefits company was impacted by operational challenges as it progressed through the first year of a Medicare enrollment project. During year two, the company launched an initiative to make operational improvements in enrollment, training, communication, error handling and customer service.

We were engaged to provide project management oversight, document processes for the central and western regions, develop training for customer service representatives, build business continuity plans and quality control processes for enrollment and customer service related processes, and identify root causes for rejected transactions. Our team, consisting of four project managers and nine professionals with process improvement and training backgrounds, partnered with the client and another third party consulting firm in strategy design and execution. Working with the overall client project manager, our team established detailed project plans for each of the eight sub-initiatives, set milestone dates, and developed a project-tracking mechanism.

We helped by co-developing and facilitating training programs for our client's employees on project management tools and techniques. We also developed training documentation and reference manuals for the customer service representatives' use when handling calls from Medicare members, ensuring consistent service.

Information Management

Our Information Management practice provides planning and execution support for designing and implementing project management offices, and for implementing and optimizing system initiatives related to: Enterprise Resource Planning ("ERP") systems; strategic "front-of-the-house systems"; human resource information systems; disaster recovery and business continuity; core accounting and cost systems; financial reporting systems and business analysis.

Our Information Management associates work under the client's direction on a variety of projects related to, among other things:

- project management;
- strategic and operational reporting;
- business performance management;
- system selection / implementation / optimization / stabilization;
- data conversion and testing;
- business continuity planning;
- business analysis and business process improvement;
- information technology ("IT") audit;
- IT strategy and governance;
- interim IT management; and
- change management / communication and training.

Sample Engagement — Large Scale SAP Implementation: An aerospace and defense industry contractor required assistance in installing and implementing various modules using the SAP business suite for more than 4,400 employees in multiple locations across the United. States. Resources provided a team of functional experts who assisted with the planning, design and roll-out of the SAP system. In addition, our Information Management professionals helped cleanse and transform data, trained users, performed financial analyses, documented the control environment for Sarbanes compliance and backfilled various positions in accounting, finance, procurement and human resource departments.

Sample Engagement — Improvement of IT projects success rate: A Fortune 500 multinational corporation undertook an initiative to improve the success rate of its enterprise-wide and business unit specific IT related projects by applying effective project management and business analysis best practices. Resources' experienced Information Management professionals helped develop and implement a consistent approach to plan and execute projects, including:

- consolidation of 486 data centers into two main sites;
- implementation of infrastructure initiatives and best practices;
- validation of vendor charges on hardware invoices; and
- streamlined the order process and maintenance of printers and copiers worldwide.

Sample Engagement — Financial System Integration: A Fortune 100 global manufacturing company completed an acquisition of another global company and needed to rapidly develop and execute a plan to integrate financial systems. We provided a team with a unique balance of technical and functional information management experience, knowledge of a specific financial system, and finance and accounting expertise. Our team included a project lead, software application experts, data reconciliation resources and an internal auditor with Sarbanes compliance experience.

Our associates assisted by:

- designing and building a global consolidations and reporting application;
- acting as a call center to support field offices on first and second shifts during parallel and go-live sessions;
- developing Sarbanes compliance best practices and documentation; and
- designing a cost-allocation method for the newly consolidated data centers.

Legal Services

Our Legal Services practice helps clients drive and execute their legal, risk management and regulatory initiatives. Many of the legal professionals in this group have significant experience working at international law firms, as well as in-house legal departments. Our legal professionals operate under our clients' direction as members of clients' legal teams and work on legal projects related to, among other things:

- assisting with mergers and acquisitions, divestitures and joint ventures;
- supporting quarterly and annual SEC filings, annual proxy statements and annual reports;
- assisting with commercial transactions, investigations, litigation, real estate and employment matters;
- supporting all aspects of corporate governance and regulatory compliance;
- handling day-to-day corporate legal department matters;
- backfilling positions on an interim basis during leaves of absence or attrition; and
- implementing and optimizing legal department processes and procedures.

Sample Engagement — Assistance with Divestiture: A publicly traded pharmaceutical company shifted its core product strategy from developing treatments for a wide range of chronic diseases to concentrating on a small core suite of products. The shift necessitated a significant change in the company's senior management team and business plan, including termination of the research, development and marketing of a commercial drug and divestiture of a national sales and distribution business and sales force. The company previously used outside counsel to perform various “one-time” legal functions.

We provided a Legal Services professional who was a former public company general counsel with significant experience in corporate restructurings and business turnarounds, including divesting assets and downsizing companies. Leveraging his experience, our professional assisted outside counsel in selling one of the company’s commercial drug products and its related national sales force. Our professional also provided assistance in subleasing the company’s research and development facilities, resolving various vendor and supplier disputes and resolving royalty and other disputes under license and supply agreements.

Sample Engagement — Acquisition Preparation Assistance: Having recently consolidated over twenty separate private businesses, a private company needed help preparing a multi-billion dollar bid for an acquisition involving private equity investors. In order to meet the strict time schedule established by the potential buyers, the client had to complete pre-acquisition due diligence and corporate clean-up, as well as prepare disclosures on the legal aspects of its recent consolidation. In addition, the client had to manage the simultaneous due diligence efforts of nine separate bidders.

Our Legal Services professional assisted by managing significant elements of the due diligence and acquisition process, leaving our client’s General Counsel free to manage the interaction with bidders and to counsel the board of directors and senior executives. Our client was able to complete the due diligence process, successfully coordinate the disclosure process with multiple law firms representing the investors and the lenders and meet the deadlines set forth by the bidders.

Sample Engagement — Legal Department Support: A client faced an unexpected employee reorganization, leading to reductions in legal department personnel and possible delinquencies in its SEC reporting requirements. Our Legal Services professional helped by:

- assisting the client’s legal and finance team in the preparation of portions of various SEC filings, including Forms 10-K, 10-Q and 8-K;
- assisting the client’s legal team in reviewing and revising the client’s stock option plans;
- assisting the client’s senior management in complying with their SEC reporting obligations with respect to equity transactions;
- preparing summaries and policy statements on new accounting/SEC issues, including Sarbanes compliance; and
- improving the internal systems and regulatory procedures.

Resources Audit Solutions (RAS): Corporate Governance, Risk Management, Internal Audit and Sarbanes Compliance Services

Our RAS practice assists our clients with a variety of governance, risk management, internal audit, and compliance initiatives, including:

- *Co-Sourced Internal Audit:* working with client internal audit departments, we provide a variable resource to the client’s staff, adding subject matter expertise, benchmarking processes against best practices and executing projects. In particular, we can assist with the execution of audit plans including operational, financial, compliance and third party contract audits; providing associates with specialized skills such as IT audit; assisting in the development and execution of remediation plans for deficiencies noted; and helping execute special projects such as risk assessments and fraud investigations;
- *Royalty, Licensing and Contracts Auditing:* working in today’s increasingly complex and regulated business environment, we assist clients in determining vendor and customer compliance with contractual obligations. We help determine whether vendors are adhering to pricing formulas, customers are remitting according to terms for licensing, franchisees are correctly calculating fees and internal contract calculations

are accurate. Specifically we can assist with royalty and license audits; vendor audits; franchisee audits; and contract management and compliance audits;

- *Policy Management:* we help clients develop a process to more effectively and efficiently distribute, monitor and manage financial reporting-related policies, often utilizing policyIQ, our proprietary web-based solution for enterprise-wide policy development and management;
- *Sarbanes and Other Compliance Initiatives Support:* assisting project management teams, business units and corporate functions around the world, we help with compliance efforts related to Sarbanes including: project management support; documenting existing business processes, practices, and workflows; identifying internal controls, testing internal controls and remediating deficiencies, including changes to policies and procedures; and planning and implementation of an ongoing Sarbanes compliance process for subsequent years. In addition, we help with other complex compliance initiatives, including J-SOX, HIPAA and Gramm Leach Bliley; and
- *Enterprise Risk Management:* assisting clients with enterprise risk management related projects, we develop and enhance policies and procedures for identifying, assessing and monitoring risks and controls, and alignment of disparate risk and control monitoring and compliance activities.

Sample Engagement-Contract Review, Remediation, and Process Improvement: We were engaged to assist a Global 100 company with determining and documenting the full extent of non-compliance with agreements with wholesalers, resellers and dealers. We determined that the company’s contract generation process had inadequate controls and that many agreements were drafted outside of the normal approval process. The initial scope of the project grew from a review of 5,000 contracts to over 25,000 as the lack of fundamental controls became apparent.

During and after the contract review process, our Resources professionals helped the client institute efficient but effective controls around contract administration and to rebuild its contract database and integrate it into the company’s master database system.

Sample Engagement-Contract Review, Remediation, and Process Improvement: We were engaged to complete the review of more than 33,000 contract documents for a Fortune 500 integrated energy company. This three-phase project included:

- establishing a joint practice management office with the client for program and project management with weekly status reporting against metrics and key deliverables;
- identification, scoping and definition of production metrics and project timeline development;
- development of a custom database to manage project coordination;
- design and development of a comprehensive contract review program;
- definition, design and testing of custom system requirements used to support the program; and
- design and delivery of a comprehensive training program for client and associate teams.

Sample Engagement-Sarbanes Compliance: We assisted a global multi-billion-dollar services firm that successfully completed an initial public offering after its implementation of Section 404 of Sarbanes. We served, under the supervision and direction of the client’s Sarbanes team, as the primary external service provider, providing 26 professionals in the United States, United Kingdom, Australia, Hong Kong and Canada to assist client teams with various elements of Sarbanes compliance including:

- documenting existing business processes, practices and workflows;
- testing selected internal controls within those processes;
- maintaining and updating a computer system used for the project; and
- performing selected elements of project management within the client’s project management office.

Supply Chain Management

Our Supply Chain Management practice offers help in the planning, maintenance and troubleshooting of complex client supply chain systems. Our professionals help work as part of a client team to reduce the total cost of ownership and improve business performance. Specifically, our services include:

- providing qualified supply chain professionals with a variety of skill sets and backgrounds who can: lead or assist strategic sourcing efforts, negotiate contracts, serve as commodity/category experts, develop strategies and perform tactical purchasing;
- performing current state assessments evaluation and execution of processes, procedures, policies and organizational design in the supply chain management and procurement functions;
- offering a variety of supply chain management solutions, including strategic sourcing, contracts management, materials management, inventory rationalization, supplier diversity assistance, ERP implementations and procurement card programs; and
- presenting a variety of onsite training and education seminars to keep customers updated on the latest trends in supply chain management.

Sample Engagement — Review of Sourcing of Operating Supplies: Our client was a large mid-west energy company. The company believed that a better sourcing of operating supplies could make a significant contribution to efficiency and profitability. After assessing the company's supply chain function, our Resources professionals provided leadership and expertise to elevate the client's sourcing capability. Specifically, we helped form a supply chain steering committee, performed a complete inventory reconciliation, implemented strategic sourcing, developed an alliance management program with key suppliers and designed and implemented a program to simplify SAP system repetitive tasks.

Sample Engagement — Business Process Review: Our Resources team of supply chain professionals helped a global Fortune 25 company in their Procure-to-Pay and Order-to-Cash process review and to improve their analytical and transaction processes. A major focus of this initiative was to help sustain growth, create value, increase competitive performance and enhance customer service through more efficient and integrated business processes. The scope of this process review included:

- commercial optimization;
- plant maintenance;
- transportation;
- manufacturing;
- customer service design;
- pricing;
- order to cash; and
- purchase to pay.

Sample Engagement — Facilities Implementation Assistance: A major health and life insurance company required assistance with and expertise in real estate facilities construction and management. We helped:

- assist with sourcing activities for a $180 million construction project to add additional floors to an existing headquarters building without interrupting 24/7 operations;
- develop sourcing strategies and prepare Requests for Proposals for other major capital facilities projects;
- conduct supplier conferences and worked with client project teams to negotiate pricing;
- conduct project reviews for senior management of Real Estate/Facilities and Corporate Strategic Sourcing departments; and
- generate estimated savings of approximately $1.8 million.

policyIQ

Delivered via the web, policyIQ is our proprietary content management product for documenting, managing and communicating all types of business information, including policies and procedures, Sarbanes documentation, training documentation and other types of business content. Project teams, departments and entire companies use policyIQ in place of shared directories, e-mail and intranet sites to more effectively manage different types of content including:

- Finance and Accounting: accounting policies, financial reporting procedures, SEC regulations, bank account reconciliations, Sarbanes-Oxley Section 302 certifications and 404 documentation;
- Information Management: disaster recovery plans, help desk procedures, system “how to’s,” system access request forms, change management documentation;
- Internal Audit: risk assessment, audit test plans, testing documentation, management action plans, audit committee charter and meeting minutes;
- Human Capital: employee handbook, benefits information and frequently asked questions, new hire and other employee forms, candidate or employee evaluations;
- Supply Chain: vendor qualification, procurement policies and procedures, executed contracts, transaction documentation; and
- Legal: Code of Conduct and other compliance documentation including employee sign-offs, safe harbor and privacy protective policies, ethics policies, contract templates and agreement repository.

Sample clients using our web-based content management system include:

- A Fortune 1000 manufacturer of tools, diagnostics and equipment solutions requested help in developing a system to provide quick access to over 10,000 pages of policies and procedures, including Sarbanes documentation, to over 300 employees spread across the globe. policyIQ provided a tool to consolidate all of the required information in one location, thus improving efficiencies in time and effort required to share and update Sarbanes documentation. The company’s external auditors were able to access the information without interrupting the local business units.
- A publicly traded manufacturing company needed a tool to help simplify its document review and approval processes as well as resolve issues with version control. The principal drivers were cost, ease of use, flexibility and reliability. The company launched policyIQ, worldwide, ahead of schedule.
- A consulting and software organization purchased policyIQ to help manage Sarbanes documentation. The conversion of its 302-certification process to policyIQ and management of the testing rollover process in policyIQ have yielded significant time savings.

Operations

We generally provide our professional services to clients at a local level, with the oversight and consultation of our corporate management team, located in our corporate service center, and our regional managing directors. The managing director, client service director(s) and recruiting director(s) in each office are responsible for initiating client relationships, identifying associates specifically skilled to perform client projects, ensuring client and associate satisfaction throughout engagements and maintaining client relationships post-engagement. Throughout this process, the corporate management team and regional managing directors are available to consult with the managing director with respect to client services.

Our offices are operated in a decentralized, entrepreneurial manner. The managing directors of our offices are given significant autonomy in the daily operations of their respective offices, and with respect to such offices, are responsible for overall guidance and supervision, budgeting and forecasting, sales and marketing, pricing and hiring. We believe that a substantial portion of the buying decisions made by our clients are made on a local or regional basis and that our offices most often compete with other professional services providers on a local or regional basis. Because our managing directors are in the best position to understand the local and regional outsourced professional services market and because clients often prefer local relationships, we believe that a decentralized operating environment maximizes operating performance and contributes to employee and client satisfaction.

We believe that our ability to successfully deliver professional services to clients is dependent on our managing directors working together as a collegial and collaborative team, at times working jointly on client projects. To build a sense of team effort and increase camaraderie among our managing directors, we have an incentive program for our office management that awards annual bonuses based on both the performance of the company and the performance of the individual's particular office. In addition, we believe many members of our office management own equity in our Company. We also have a new managing director program whereby new managing directors attend a regularly scheduled series of seminars taught by experienced managing directors and other senior management personnel. This program allows the veteran managing directors to share their success stories, foster the culture of the Company with the new managing directors and review specific client and associate development programs. We believe these team-based practices enable us to better serve clients who prefer a centrally organized service approach.

From our corporate headquarters in Irvine, California, we provide our North American and certain of our international offices with centralized administrative, marketing, finance, human resources, information technology, legal and real estate support. Our financial reporting is centralized in our corporate service center. This center also handles billing, accounts payable and collections, and administers human resources services including employee compensation and benefits administration. During fiscal 2006, we established a service center in our Utrecht, Netherlands office to provide centralized finance, human resources, information technology, payroll and legal support to our European offices. In addition, in the United States, Canada and Mexico, we have a corporate networked information technology platform with centralized financial reporting capabilities and a front office client management system. These centralized functions minimize the administrative burdens on our office management and allow them to spend more time focused on client and associate development.

Business Development

Our business development initiatives are composed of:

- local initiatives focused on existing clients and target companies;
- national and international targeting efforts focused on multi-national companies;
- brand marketing activities; and
- national and local direct mail programs.

Our business development efforts are driven by the networking and sales efforts of our management. The managing directors and client service directors in our offices develop a list of potential clients and key existing clients. In addition, the directors are assisted by management professionals focused on business development efforts on a national basis. These business development professionals, teamed with the managing directors and client service group, are responsible for initiating and fostering relationships with the senior management of our targeted client companies. These local efforts are supplemented with national marketing assistance. We believe that these efforts have been effective in generating incremental revenues from existing clients and developing new client relationships.

Our brand marketing initiatives help develop Resources Global's image in the markets we serve. Our brand is reinforced by our national and international advertising campaign, a professionally designed website, brochures and pamphlets, direct mail and public relations efforts. We believe that our branding initiatives coupled with our high- quality client service help to differentiate us from our competitors and to establish Resources Global as a credible and reputable global professional services firm.

Our national marketing group develops our direct mail campaigns to focus on our targeted client and associate populations. These campaigns are intended to support our branding, sales and marketing, and associate hiring initiatives.

Competition

We operate in a competitive, fragmented market and compete for clients and associates with a variety of organizations that offer similar services. Our principal competitors include:

- consulting firms;
- local, regional, national and international accounting firms;
- independent contractors;
- specialized divisions of traditional and Internet-based staffing firms; and
- the in-house resources of our clients.

We compete for clients on the basis of the quality of professionals, the timely availability of professionals with requisite skills, the scope and price of services, and the geographic reach of services. We believe that our attractive value proposition, consisting of our highly qualified associates, relationship-oriented approach and professional culture, enables us to differentiate ourselves from our competitors. Although we believe we compete favorably with our competitors, many of our competitors have significantly greater financial resources, generate greater revenues and have greater name recognition than we do.

Employees

As of May 31, 2008, we had a total of 4,366 employees, including 876 corporate and local office employees and 3,490 professional services associates. Our employees are not covered by any collective bargaining agreements.

Available Information

The Company's principal executive offices are located at 17101 Armstrong Avenue, Irvine, California 92614. The Company's telephone number is (714) 430-6400 and its web site address is http://www.resourcesglobal.com. The information set forth in the web site does not constitute part of this Report on Form 10-K. We file our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 with the SEC electronically.

A free copy of our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K and amendments to those reports may be obtained as soon as reasonably practicable after we file such reports with the SEC on our website at http://www.resourcesglobal.com.

ITEM 1A. ***RISK FACTORS.***

You should carefully consider the risks described below before making a decision to buy shares of our common stock. The order of the risks is not an indication of their relative weight or importance. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties, including those risks set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations", may also adversely impact and impair our business. If any of the following risks actually occur, our business could be harmed. In that case, the trading price of our common stock could decline, and you might lose all or part of your investment. When determining whether to buy our common stock, you should also refer to the other information in this Report on Form 10-K, including our financial statements and the related notes.

We must provide our clients with highly qualified and experienced associates, and the loss of a significant number of our associates, or an inability to attract and retain new associates, could adversely affect our business and operating results.

Our business involves the delivery of professional services, and our success depends on our ability to provide our clients with highly qualified and experienced associates who possess the skills and experience necessary to satisfy their needs. Such professionals are in great demand, particularly in certain geographic areas, and are likely to remain a limited resource for the foreseeable future. Our ability to attract and retain associates with the requisite experience and skills depends on several factors including, but not limited to, our ability to:

- provide our associates with either full-time or flexible-time employment;
- obtain the type of challenging and high-quality projects that our associates seek;
- pay competitive compensation and provide competitive benefits; and
- provide our associates with flexibility as to hours worked and assignment of client engagements.

We cannot assure you that we will be successful in accomplishing any of these factors and, even if we are, that we will be successful in attracting and retaining the number of highly qualified and experienced associates necessary to maintain and grow our business.

Decreased effectiveness of equity compensation could adversely affect our ability to attract and retain employees.

We have historically used stock options as a key component of our employee compensation program in order to align employees' interests with the interests of our stockholders, encourage employee retention and provide competitive compensation packages. As a result of our adoption of Statement of Financial Accounting Standards No. 123 (revised), "Share-Based Payment" ("SFAS 123(R)") in the first quarter of fiscal 2007, the use of stock options and other stock-based awards to attract and retain employees has become more limited due to the possible impact on our results of operations. This development could make it more difficult to attract, retain and motivate employees.

In addition, we have a limited number of options remaining in our plan available to grant to employees and, consequently, we significantly reduced the amount of stock options granted to incumbent employees during fiscal 2008. If we are unable to obtain authorization from our shareholders to increase the number available for grant in our plan, we may need to further reduce stock option grants and, potentially, increase the use of cash to compensate our employees. Finally, many of our options outstanding are currently priced at less than the per share market valuation of our stock, further reducing existing option grants as an incentive to retain employees.

The market for professional services is highly competitive, and if we are unable to compete effectively against our competitors, our business and operating results could be adversely affected.

We operate in a competitive, fragmented market, and we compete for clients and associates with a variety of organizations that offer similar services. The competition is likely to increase in the future due to the expected growth of the market and the relatively few barriers to entry. Our principal competitors include:

- consulting firms;
- local, regional, national and international accounting firms;
- independent contractors;
- traditional and Internet-based staffing firms; and
- the in-house resources of our clients.

We cannot assure you that we will be able to compete effectively against existing or future competitors. Many of our competitors have significantly greater financial resources, greater revenues and greater name recognition, which may afford them an advantage in attracting and retaining clients and associates. In addition, our competitors may be able to respond more quickly to changes in companies' needs and developments in the professional services industry.

An economic downturn or change in the use of outsourced professional services associates could adversely affect our business.

During the downturn in the economy of the United States during fiscal 2002 and 2003, our business was adversely affected. As the general level of economic activity slowed, our clients delayed or cancelled plans that involved professional services, particularly outsourced professional services. Consequently, we experienced fluctuations in the demand for our services. During fiscal 2008, the United States economy softened, resulting in a reduction in our growth rates. Continued softening of the United States economy or a downturn in international economies could adversely affect our business in the future. In addition, the use of professional services associates on a project-by-project basis could decline for non-economic reasons. In the event of a reduction in the demand for our associates, our financial results could suffer.

In addition, while we maintain an allowance for doubtful accounts for the estimated losses resulting from our clients' failure to make required payments for services rendered and such losses have historically been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same credit loss rates that we have in the past, especially given the softening in the United States economy. A significant change in the liquidity or financial position of our clients could cause unfavorable trends in receivable collections and additional allowances may be required. These additional allowances could materially affect the Company's future financial results.

In addition, we are required to periodically assess the recoverability of certain assets, including deferred tax assets and long-lived assets. Continued softening of the United States economy or a downturn in international economies could adversely affect our evaluation of the recoverability of such assets, requiring us to record a valuation allowance or impairment.

Our business depends upon our ability to secure new projects from clients and, therefore, we could be adversely affected if we fail to do so.

We do not have long-term agreements with our clients for the provision of services. The success of our business is dependent on our ability to secure new projects from clients. For example, if we are unable to secure new client projects because of improvements in our competitors' service offerings, or because of a change in government regulatory requirements, or because of an economic downturn decreasing the demand for outsourced professional services, our business is likely to be materially adversely affected. New impediments to our ability to secure projects from clients may develop over time, such as the increasing use by large clients of in-house procurement groups that manage their relationship with service providers.

We may be legally liable for damages resulting from the performance of projects by our associates or for our clients' mistreatment of our associates.

Many of our engagements with our clients involve projects that are critical to our clients' businesses. If we fail to meet our contractual obligations, we could be subject to legal liability or damage to our reputation, which could adversely affect our business, operating results and financial condition. While we have not been subject to a legal claim filed by a client, it remains possible, because of the nature of our business, that we will be sued in the future. Claims brought against us could have a serious negative effect on our reputation and on our business, financial condition and results of operations.

Because we are in the business of placing our associates in the workplaces of other companies, we are subject to possible claims by our associates alleging discrimination, sexual harassment, negligence and other similar activities by our clients. We may also be subject to similar claims from our clients based on activities by our associates. The cost of defending such claims, even if groundless, could be substantial and the associated negative publicity could adversely affect our ability to attract and retain associates and clients.

We may not be able to grow our business, manage our growth or sustain our current business.

We grew rapidly from our inception in 1996 until 2001 by opening new offices and by increasing the volume of services we provided through existing offices. We experienced a decline in revenue in fiscal 2002, but revenue has increased in each subsequent fiscal year. However, there can be no assurance that we will be able to maintain or expand our market presence in our current locations or to successfully enter other markets or locations. Our ability to continue to grow our business will depend upon a number of factors, including our ability to:

- grow our client base;
- expand profitably into new cities;
- provide additional professional services offerings;
- hire qualified and experienced associates;
- maintain margins in the face of pricing pressures;
- manage costs; and
- maintain or grow revenues and increase other service offerings from existing clients.

Even if we are able to continue our growth, the growth will result in new and increased responsibilities for our management as well as increased demands on our internal systems, procedures and controls, and our administrative, financial, marketing and other resources. Failure to adequately respond to these new responsibilities and demands may adversely affect our business, financial condition and results of operation.

The increase in our international activities will expose us to additional operational challenges that we might not otherwise face.

As we increase our international activities, we will have to confront and manage a number of risks and expenses that we would not face if we conducted our operations solely in the United States. Any of these risks or expenses could cause a material negative effect on our operating results. These risks and expenses include:

- difficulties in staffing and managing foreign offices as a result of, among other things, distance, language and cultural differences;
- less flexible labor laws and regulations;
- expenses associated with customizing our professional services for clients in foreign countries;
- foreign currency exchange rate fluctuations when we sell our professional services in denominations other than United States' dollars;
- protectionist laws and business practices that favor local companies;
- political and economic instability in some international markets;
- multiple, conflicting and changing government laws and regulations;
- trade barriers;
- reduced protection for intellectual property rights in some countries; and
- potentially adverse tax consequences.

We have acquired, and may continue to acquire, companies, and these acquisitions could disrupt our business.

We have acquired several companies and may continue to acquire companies in the future. Entering into an acquisition entails many risks, any of which could harm our business, including:

- diversion of management's attention from other business concerns;
- failure to integrate the acquired company with our existing business;
- failure to motivate, or loss of, key employees from either our existing business or the acquired business;
- potential impairment of relationships with our employees and clients;

- additional operating expenses not offset by additional revenue;
- incurrence of significant non-recurring charges;
- incurrence of additional debt with restrictive covenants or other limitations;
- dilution of our stock as a result of issuing equity securities; and
- assumption of liabilities of the acquired company.

Our business could suffer if we lose the services of one or more key members of our management.

Our future success depends upon the continued employment of Donald B. Murray, our executive chairman. The departure of Mr. Murray or other members of our management team could significantly disrupt our operations. Key members of our senior management team include Thomas D. Christopoul, our president and chief executive officer; Karen M. Ferguson, executive vice president and president of North American operations; Anthony Cherbak, executive vice president and chief operating officer; Kate W. Duchene, chief legal officer and executive vice president of human resources; Nathan W. Franke, executive vice president and chief financial officer; and John D. Bower, senior vice president, finance. We do not have an employment agreement with Mr. Bower.

Our quarterly financial results may be subject to significant fluctuations that may increase the volatility of our stock price.

Our results of operations could vary significantly from quarter to quarter. Factors that could affect our quarterly operating results include:

- our ability to attract new clients and retain current clients;
- the mix of client projects;
- the announcement or introduction of new services by us or any of our competitors;
- the expansion of the professional services offered by us or any of our competitors into new locations both nationally and internationally;
- changes in the demand for our services by our clients;
- the entry of new competitors into any of our markets;
- the number of associates eligible for our offered benefits as the average length of employment with the Company increases;
- the amount of vacation hours used by associates or number of holidays in a quarter, particularly the day of the week on which they occur;
- changes in the pricing of our professional services or those of our competitors;
- variation in foreign exchange rates from one quarter to the next used to translate the financial results of our international operations;
- the amount and timing of operating costs and capital expenditures relating to management and expansion of our business;
- the timing of acquisitions and related costs, such as compensation charges that fluctuate based on the market price of our common stock; and
- the periodic fourth quarter consisting of 14 weeks, which occurred during the fiscal year ended May 31, 2008.

Due to these factors, we believe that quarter-to-quarter comparisons of our results of operations are not meaningful indicators of future performance. It is possible that in some future periods, our results of operations may be below the expectations of investors. If this occurs, the price of our common stock could decline.

If our internal control over financial reporting does not comply with the requirements of Sarbanes, our business and stock price could be adversely affected.

Section 404 of Sarbanes requires us to evaluate periodically the effectiveness of our internal control over financial reporting, and to include a management report assessing the effectiveness of our internal controls as of the end of each fiscal year. Our management report on internal controls is contained in this Report on Form 10-K. Section 404 also requires our independent registered public accountant to report on our internal control over financial reporting.

Our management does not expect that our internal control over financial reporting will prevent all errors or acts of fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, involving us have been, or will be, detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of a person, or by collusion among two or more people, or by management override of controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies and procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to errors or fraudulent acts may occur and not be detected.

Although our management has determined, and our independent registered public accountant has attested, that internal control over financial reporting was effective as of May 31, 2008, we cannot assure you that we or our independent registered public accountant will not identify a material weakness in our internal controls in the future. A material weakness in our internal control over financial reporting would require management and our independent registered public accountant to evaluate our internal controls as ineffective. If our internal control over financial reporting is not considered adequate, we may experience a loss of public confidence, which could have an adverse effect on our business and our stock price. Additionally, if our internal control over financial reporting otherwise fail to comply with the requirements of Sarbanes, our business and stock price could be adversely affected.

We may be subject to laws and regulations that impose difficult and costly compliance requirements and subject us to potential liability and the loss of clients.

In connection with providing services to clients in certain regulated industries, such as the gaming and energy industries, we are subject to industry-specific regulations, including licensing and reporting requirements. Complying with these requirements is costly and, if we fail to comply, we could be prevented from rendering services to clients in those industries in the future. Additionally, changes in these requirements, or in other laws applicable to us, in the future could increase our costs of compliance.

In addition, we may face challenges from certain state regulatory bodies governing the provision of certain professional services, like legal services or audit services. The imposition of such regulations could require additional financial and operational burdens on our business.

It may be difficult for a third party to acquire our Company, and this could depress our stock price.

Delaware corporate law and our amended and restated certificate of incorporation and bylaws contain provisions that could delay, defer or prevent a change of control of our Company or our management. These provisions could also discourage proxy contests and make it difficult for you and other stockholders to elect directors and take other corporate actions. As a result, these provisions could limit the price that future investors are willing to pay for your shares. These provisions:

- authorize our board of directors to establish one or more series of undesignated preferred stock, the terms of which can be determined by the board of directors at the time of issuance;
- divide our board of directors into three classes of directors, with each class serving a staggered three-year term. Because the classification of the board of directors generally increases the difficulty of replacing a majority of the directors, it may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us and may make it difficult to change the composition of the board of directors;
- prohibit cumulative voting in the election of directors which, if not prohibited, could allow a minority stockholder holding a sufficient percentage of a class of shares to ensure the election of one or more directors;
- require that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing;
- state that special meetings of our stockholders may be called only by the chairman of the board of directors, by our chief executive officer, by the board of directors after a resolution is adopted by a majority of the total number of authorized directors, or by the holders of not less than 10% of our outstanding voting stock;
- establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting;
- provide that certain provisions of our certificate of incorporation can be amended only by supermajority vote of the outstanding shares and that our bylaws can be amended only by supermajority vote of the outstanding shares of our board of directors;
- allow our directors, not our stockholders, to fill vacancies on our board of directors; and
- provide that the authorized number of directors may be changed only by resolution of the board of directors.

The Company's board of directors has adopted a stockholder rights plan, which is described further in Note — 10 *Stockholders' Equity* of the "Notes to Consolidated Financial Statements" included in this Report on Form 10-K. The existence of this rights plan may also have the effect of delaying, deferring or preventing a change of control of our Company or our management by deterring acquisitions of our stock not approved by our board of directors.

Beginning with the first quarter of fiscal 2007 we were required to recognize compensation expense related to employee stock options and our employee stock purchase plan. There is no assurance that the expense that we are required to recognize measures accurately the value of our share-based payment awards, and the recognition of this expense could cause the trading price of our common stock to decline.

Effective as of the beginning of the first quarter of fiscal 2007, we were required to adopt SFAS 123 (R), which requires the measurement and recognition of compensation expense for all stock-based compensation based on estimated values. Thus, operating results beginning with fiscal 2007 contain a non-cash charge for stock-based compensation expense related to employee stock options and our employee stock purchase plan. The application of SFAS 123 (R) generally requires the use of an option-pricing model to determine the value of share-based payment awards. This determination of value is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. Option-pricing models were developed for use in estimating the value of traded options that have no vesting restrictions and are fully transferable. Because our employee stock options have certain characteristics that are significantly different from traded options, and because changes in the subjective assumptions can materially affect the estimated value, in management's opinion the existing valuation models may not provide an accurate measure of the value of our employee stock options. Although the value of employee stock options is determined in accordance with SFAS 123(R) and Staff Accounting Bulletin No. 107 using an option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

As a result of the adoption of SFAS 123 (R), our earnings are lower than they would have been had we not been required to adopt SFAS 123 (R). There also is variability in our net income due to the timing of the exercise of options that trigger disqualifying dispositions which impact our tax provision. This will continue to be the case for future periods. We cannot predict the effect that this adverse impact on our reported operating results will have on the trading price of our common stock.

We may be unable to adequately protect our intellectual property rights, including our brand name. If we fail to adequately protect our intellectual property rights, the value of such rights may diminish and our results of operations and financial condition may be adversely affected.

We believe that establishing, maintaining and enhancing the Resources Global Professionals brand name is essential to our business. We have applied for United States and foreign registrations on this service mark. We have previously obtained United States registrations on our Resources Connection service mark and puzzle piece logo, Registration No. 2,516,522 registered December 11, 2001; No. 2,524,226 registered January 1, 2002; and No. 2,613,873, registered September 3, 2002 as well as certain foreign registrations. We had been aware from time to time of other companies using the name "Resources Connection" or some variation thereof and this contributed to our decision to adopt the operating company name of Resources Global Professionals. We obtained United States registration on our Resources Global Professionals service mark, Registration No. 3,298,841 registered September 25, 2007. However, our rights to this service mark are not currently protected in some of our foreign registrations, and there is no guarantee that any of our pending applications for such registration (or any appeals thereof or future applications) will be successful. Although we are not aware of other companies using the name "Resources Global Professionals" at this time, there could be potential trade name or service mark infringement claims brought against us by the users of these similar names and marks and those users may have service mark rights that are senior to ours. If these claims were successful, we could be forced to cease using the service mark "Resources Global Professionals" even if an infringement claim is not brought against us. It is also possible that our competitors or others will adopt service names similar to ours or that our clients will be confused by another company using a name, service mark or trademark similar to ours, thereby impeding our ability to build brand identity. We cannot assure you that our business would not be adversely affected if confusion did occur or if we were required to change our name.

ITEM 1B. *UNRESOLVED STAFF COMMENTS.*

Not applicable.

ITEM 2. ***PROPERTIES.***

As of May 31, 2008, we maintained 56 domestic offices, all under operating lease agreements (except for the Irvine, California location), in the following metropolitan areas:

Birmingham, Alabama
Phoenix, Arizona
Costa Mesa, California
Irvine, California
Los Angeles, California
Sacramento, California
Santa Clara, California
San Diego, California
San Francisco, California
Walnut Creek, California
Woodland Hills, California
Denver, Colorado
Hartford, Connecticut
Stamford, Connecticut
Jacksonville, Florida
Orlando, Florida
Plantation, Florida
Tampa, Florida
Atlanta, Georgia

Honolulu, Hawaii
Boise, Idaho
Chicago, Illinois
Downers Grove, Illinois
Glenview, Illinois
Indianapolis, Indiana
Louisville, Kentucky
Baltimore, Maryland
Boston, Massachusetts
Detroit, Michigan
Minneapolis, Minnesota
Kansas City, Missouri
St. Louis, Missouri
Las Vegas, Nevada
Parsippany, New Jersey
Princeton, New Jersey
Long Island, New York
New York, New York

Charlotte, North Carolina
Raleigh, North Carolina
Cincinnati, Ohio
Cleveland, Ohio
Columbus, Ohio
Tulsa, Oklahoma
Portland, Oregon
Philadelphia, Pennsylvania
Pittsburgh, Pennsylvania
Nashville, Tennessee
Austin, Texas
Dallas, Texas
Fort Worth, Texas
Houston, Texas
San Antonio, Texas
Richmond, Virginia
Seattle, Washington
Milwaukee, Wisconsin
Washington, D.C. (McLean, Virginia)

As of May 31, 2008, we maintained 33 international offices under operating lease agreements, located in the following cities and countries:

Melbourne, Australia
Sydney, Australia
Brussels, Belgium
Calgary, Canada
Montreal, Canada
Toronto, Canada
Copenhagen, Denmark
Paris, France
Frankfurt, Germany
Bangalore, India
Mumbai, India
Dublin, Ireland

Milan, Italy
Nagoya, Japan
Tokyo, Japan
Luxembourg
Mexico City, Mexico
Tijuana, Mexico
Maastricht, Netherlands
Amsterdam (Utrecht), Netherlands
Zaltbommel, Netherlands

Oslo, Norway
Beijing, People's Republic of China
Hong Kong, People's Republic of China
Shanghai, People's Republic of China Singapore
Stockholm, Sweden
Taipei, Taiwan
Birmingham, United Kingdom
Cheadle, United Kingdom
Edinburgh, United Kingdom
Leicester, United Kingdom
London, United Kingdom

Our corporate offices are located in Irvine, California. We own an approximately 56,800 square foot office building in Irvine, California, of which we occupy approximately 24,000 square feet. Approximately 15,500 square feet is leased to independent third parties, with the remainder offered for lease.

ITEM 3. ***LEGAL PROCEEDINGS.***

We are not currently subject to any material legal proceedings; however, we are a party to various legal proceedings arising in the ordinary course of our business.

ITEM 4. ***SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.***

No matters were submitted to a vote of security holders during the fourth quarter of fiscal 2008.

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.*

Price Range of Common Stock

Our common stock has traded on the Nasdaq Global Select Market under the symbol "RECN" since December 15, 2000. Prior to that time, there was no public market for our common stock. The approximate number of holders of record of our common stock as of July 11, 2008 was 41 (a holder of record is the name of an individual or entity that an issuer carries in its records as the registered holder (not necessarily the beneficial owner) of the issuer's securities).

The following table sets forth the range of high and low closing sales prices reported on the Nasdaq Global Select Market for our common stock for the periods indicated.

	Price Range of Common Stock	
	High	Low
Fiscal 2008:		
First Quarter	$ 35.42	$ 29.98
Second Quarter	$ 31.67	$ 20.12
Third Quarter	$ 20.85	$ 15.95
Fourth Quarter	$ 21.74	$ 15.41
Fiscal 2007:		
First Quarter	$ 25.85	$ 22.43
Second Quarter	$ 30.18	$ 23.57
Third Quarter	$ 34.16	$ 27.42
Fourth Quarter	$ 34.36	$ 29.85

Dividend Policy

We have historically not declared or paid cash dividends on our capital stock. However, on July 11, 2007, our Board of Directors approved the payment of a special cash dividend of $1.25 per share of common stock, payable on August 21, 2007 to shareholders of record on August 8, 2007. We periodically reevaluate the need for a special cash dividend or a regular cash dividend policy. Any future determination to pay cash dividends will be at the discretion of our board of directors and will depend upon our financial condition, results of operations, capital requirements, general business condition, contractual restrictions contained in our credit agreement and other agreements, and other factors deemed relevant by our board of directors.

Issuances of Unregistered Securities

None.

Issuer Purchases of Equity Securities

In July 2007, our board of directors approved a new stock repurchase program, authorizing the purchase, at the discretion of the Company's senior executives, of our common stock for an aggregate dollar limit not to exceed $150 million. The table below provides information regarding our stock repurchases made during the fourth quarter of fiscal 2008 under our stock repurchase program.

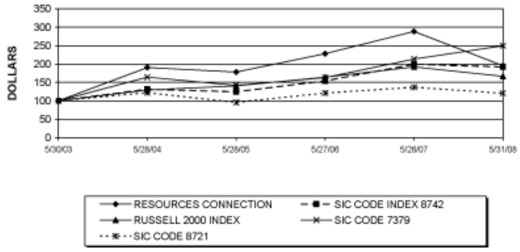
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
February 24, 2008 — March 22, 2008	—	$ —	—	$ 68,920,838
March 23, 2008 — April 19, 2008	588,000	$ 18.29	588,000	$ 58,167,852
April 20, 2008 — May 31, 2008	517,000	$ 19.79	517,000	$ 47,934,462
Total February 24, 2008 — May 31, 2008	1,105,000	$ 18.99	1,105,000	$ 47,934,462

Performance Graph

Set forth below is a line graph comparing the annual percentage change in the cumulative total return to the holders of our common stock with the cumulative total return of the Russell 2000 Indexes, and companies classified under Standard Industry Codes as Management Consulting Services, Computer Related Services Not Elsewhere Classified ("NEC"), and Accounting and Bookkeeping Services for the period commencing May 30, 2003 and ending on May 31, 2008. The graph assumes $100 was invested on May 30, 2003, in our common stock and in each index (based on prices from the close of trading on May 30, 2003), and that all dividends are reinvested. Stockholder returns over the indicated period may not be indicative of future stockholder returns.

The information contained in the performance graph shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference into such filing.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN
AMONG RESOURCES CONNECTION,
RUSSELL 2000 AND SIC CODE INDEX



ASSUMES $100 INVESTED ON MAY 30, 2003
ASSUMES DIVIDENDS REINVESTED

	Fiscal Year Ending					
Company/Index/Market	5/30/2003	5/28/2004	5/28/2005	5/27/2006	5/26/2007	5/31/2008
Resources Connection Inc.	**100.00**	**190.52**	**178.10**	**227.98**	**288.42**	**195.09**
Management Consulting Services (SIC 8742)	**100.00**	**131.53**	**124.44**	**154.01**	**199.36**	**192.08**
Russell 2000 Index	**100.00**	**129.41**	**140.44**	**164.29**	**192.10**	**166.66**
Computer Related Services, NEC (SIC 7379)	**100.00**	**164.15**	**141.92**	**162.93**	**213.46**	**249.40**
Accounting & Bookkeeping Services (SIC 8721)	**100.00**	**122.31**	**95.88**	**121.36**	**136.95**	**120.57**

ITEM 6. ***SELECTED FINANCIAL DATA.***

You should read the following selected historical consolidated financial data in conjunction with our consolidated financial statements and related notes beginning on page 41 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing on page 29. The consolidated statements of income data for the years ended May 28, 2005 and May 29, 2004 and the consolidated balance sheet data at May 27, 2006, May 28, 2005 and May 29, 2004 were derived from our consolidated financial statements that have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, and are not included in this Report on Form 10-K. The consolidated statements of income data for the years ended May 31, 2008, May 26, 2007 and May 27, 2006 and the consolidated balance sheet data at May 31, 2008 and May 26, 2007 were derived from our consolidated financial statements that have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, and are included elsewhere in this Report on Form 10-K. Net income per common share and the weighted average common shares outstanding for the year ended May 29, 2004 have been restated to reflect the impact of the two-for-one split of our common stock distributed on March 1, 2005. Historical results are not necessarily indicative of results that may be expected for any future periods.

	Years Ended				
	May 31, 2008	May 26, 2007	May 27, 2006	May 28, 2005	May 29, 2004
	(In thousands, except net income per common share and other data)				
Consolidated Statements of Income Data:					
Revenue	$ 840,285	$ 735,891	$ 633,843	$ 537,636	$ 328,333
Direct cost of services	518,413	447,363	384,429	324,642	199,870
Gross profit	321,872	288,528	249,414	212,994	128,463
Selling, general and administrative expenses	227,853	191,590	149,736	116,402	84,301
Amortization of intangible assets	1,114	1,472	1,740	1,743	1,716
Depreciation expense	8,452	6,122	2,958	2,191	1,907
Income from operations	84,453	89,344	94,980	92,658	40,539
Interest income	(5,603)	(8,939)	(5,015)	(2,128)	(593)
Income before provision for income taxes	90,056	98,283	99,995	94,786	41,132
Provision for income taxes	40,871	43,518	39,398	38,730	16,798
Net income	$ 49,185	$ 54,765	$ 60,597	$ 56,056	$ 24,334
Net income per common share:					
Basic	$ 1.06	$ 1.13	$ 1.26	$ 1.19	$ 0.53
Diluted	$ 1.03	$ 1.08	$ 1.17	$ 1.11	$ 0.50
Weighted average common shares outstanding:					
Basic	46,545	48,353	48,054	47,074	45,984
Diluted	47,934	50,644	51,676	50,484	48,780
Other Data:					
Number of offices open at end of period	89	84	78	65	64
Total number of associates on assignment at end of period	3,490	3,276	2,857	2,639	2,086
Cash dividends paid (in thousands)	$ 60,652	$ —	$ —	$ —	$ —

	May 31, 2008	May 26, 2007	May 27, 2006	May 28, 2005	May 29, 2004
			(Amounts in thousands)		
Consolidated Balance Sheet Data:					
Cash, cash equivalents, short-term investments and U.S. government agency securities	$ 106,814	$ 223,095	$ 185,439	$ 134,741	$ 68,126
Working capital	157,766	207,647	161,114	122,304	76,815
Total assets	410,502	464,461	398,611	320,142	226,263
Stockholders' equity	305,888	363,299	317,436	248,367	180,334

ITEM 7. ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.***

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes. This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors including, but not limited to, those discussed in Part I Item 1A. "Risk Factors." and elsewhere in this Report on Form 10-K.

Overview

Resources Global is a multi-national professional services firm that provides experienced finance, accounting, risk management and internal audit, information management, human capital, supply chain management and legal services professionals to clients on a project basis. We assist our clients with discrete projects requiring specialized expertise in:

- finance and accounting services, such as mergers and acquisitions due diligence, initial public offering assistance and assistance in the preparation or restatement of financial statements, financial analyses (e.g., product costing and margin analyses), corporate reorganizations, budgeting and forecasting, audit preparation, public-entity reporting and tax-related projects;
- information management services, such as financial system/enterprise resource planning implementation and post implementation optimization;
- human capital services, such as change management and compensation program design and implementation;
- risk management and internal audit services (provided via our subsidiary Resources Audit Solutions or "RAS"), including governance, risk management, compliance reviews, internal audit co-sourcing and assisting clients with their compliance efforts under Sarbanes or other regulatory guidelines;
- supply chain management ("SCM") services, such as leading strategic sourcing efforts, contracts negotiation and purchasing strategy;
- actuarial services, such as for pension and life insurance companies; and
- legal services, such as providing attorneys, paralegals and contract managers to assist clients (including law firms) with initiative or project-based or peak period needs.

We were founded in June 1996 by a team at Deloitte & Touche LLP led by our executive chairman, Donald B. Murray, who was then a senior partner with Deloitte & Touche and Karen M. Ferguson, president of our North American operations, among others. Our founders created Resources Connection to capitalize on the increasing demand for high quality outsourced professional services. We operated as a part of Deloitte & Touche from our inception in June 1996 until April 1999. In April 1999, we completed a management-led buyout. In December 2000, we completed our initial public offering of common stock and began trading on the NASDAQ. We currently trade on the NASDAQ Global Select Market. In January 2005, we announced the change of our operating entity name to Resources Global Professionals to better reflect the Company's multi-national capabilities.

Growth in revenue, to date, has generally been the result of establishing offices in major markets of the United States and our other international markets, as well as the establishment of new service lines. The following table summarizes for each fiscal year the number of offices opened, international expansion and the creation of additional service offerings.

Fiscal Year	Number of United States Offices Opened	Number of International Offices Opened	Establishment of Service Offering
1997	Nine		Finance and accounting
1998	Nine		
1999	Ten		Information management
2000	Four	Three	Human capital
2001	Nine	One	
2002	Two		
2003	Six	One	Resources Audit Solutions; Supply chain management (via acquisition)
2004	Two opened; two consolidation closures	Seven opened via acquisition; one organic	
2005	Two opened; two consolidation closures	One opened via acquisition; two organic	Legal
2006	Three	Two opened via acquisition; eight organic	
2007	One	Eight organic opened; three consolidation closures	
2008	Four opened, one consolidation closure	One organic opened, three opened via acquisition, two consolidation closures	

During fiscal 2008, we continued our expansion around the world, acquiring practices in the United Kingdom and the Netherlands. We also opened four additional offices in the United States. At May 31, 2008, we served our clients through 56 offices in the United States and 33 offices abroad.

On June 1, 2007, the Company completed the acquisition of Compliance Solutions (UK) Ltd., a United Kingdom based provider of regulatory compliance services to investment advisors, hedge funds, private equity and venture capital firms, insurance companies and other financial institutions. The Company paid approximately $8.4 million for the acquisition, consisting of $6.2 million in cash and $2.2 million in the Company’s stock.

On December 18, 2007, the Company acquired Domenica B.V. (“Domenica”), a Netherlands based provider of actuarial services to pension and life insurance companies. The Company paid cash of approximately $23.6 million for the acquisition.

We expect to continue opportunistic international expansion while also investing in complementary professional services lines that we believe will augment our service offerings.

We primarily charge our clients on an hourly basis for the professional services of our associates. We recognize revenue once services have been rendered and invoice the majority of our clients on a weekly basis. Our clients are contractually obligated to pay us for all hours billed. To a much lesser extent, we also earn revenue if a client hires one of our associates. This type of contractually non-refundable revenue is recognized at the time our client completes the hiring process and represented 0.5%, 0.6% and 0.6% of our revenue for the years ended May 31, 2008, May 26, 2007 and May 27, 2006, respectively. We periodically review our outstanding accounts receivable balance and determine an estimate of the amount of those receivables we believe may prove uncollectible. Our provision for bad debts is included in our selling, general and administrative expenses.

The costs to pay our professional associates and all related benefit and incentive costs, including provisions for paid time off and other employee benefits, are included in direct cost of services. We pay most of our associates on an hourly basis for all hours worked on client engagements and, therefore, direct cost of services tends to vary directly with the volume of revenue we earn. We expense the benefits we pay to our associates as they are earned. These benefits include paid time off and holidays; a bonus incentive plan; referral bonus programs; subsidized group health, dental, vision and life insurance programs; a matching 401(k) retirement plan; the ability to participate in the Company's Employee Stock Purchase Plan ("ESPP"); and professional development and career training. In addition, we pay the related costs of employment, including state and federal payroll taxes, workers' compensation insurance, unemployment insurance and other costs. Typically, an associate must work a threshold number of hours to be eligible for all of the benefits. We recognize direct cost of services when incurred.

Selling, general and administrative expenses include the payroll and related costs of our internal management as well as general and administrative, marketing and recruiting costs. Our sales and marketing efforts are led by our management team who are salaried employees and earn bonuses based on operating results for our Company as a whole and within each individual's geographic market.

The Company's fiscal year consists of 52 or 53 weeks, ending on the last Saturday in May. For fiscal years of 53 weeks, such as fiscal 2008, the first three quarters consisted of 13 weeks each and the fourth quarter consisted of 14 weeks. Fiscal 2007 and 2006 consisted of 52 weeks each.

Critical Accounting Policies

The following discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The following represents a summary of our critical accounting policies, defined as those policies that we believe: (a) are the most important to the portrayal of our financial condition and results of operations and (b) involve inherently uncertain issues that require management's most difficult, subjective or complex judgments.

Valuation of long-lived assets — We assess the potential impairment of long-lived tangible and intangible assets periodically or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Under the current accounting standard, our goodwill and certain other intangible assets are not subject to periodic amortization. These assets are now considered to have an indefinite life and their carrying values are required to be assessed by us for impairment at least annually. Depending on future market values of our stock, our operating performance and other factors, these assessments could potentially result in impairment reductions of these intangible assets in the future and this adjustment may materially affect the Company's future financial results.

Allowance for doubtful accounts — We maintain an allowance for doubtful accounts for estimated losses resulting from our clients failing to make required payments for services rendered. We estimate this allowance based upon our knowledge of the financial condition of our clients, review of historical receivable and reserve trends and other pertinent information. While such losses have historically been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same credit loss rates that we have in the past. A significant change in the liquidity or financial position of our clients could cause unfavorable trends in receivable collections and additional allowances may be required. These additional allowances could materially affect the Company's future financial results.

Income taxes — In order to prepare our consolidated financial statements, we are required to make estimates of income taxes, if applicable, in each jurisdiction in which we operate. The process incorporates an assessment of any current tax exposure together with temporary differences resulting from different treatment of transactions for tax and financial statement purposes. These differences result in deferred tax assets and liabilities that are included in our Consolidated Balance Sheets. The recovery of deferred tax assets from future taxable income must be assessed and, to the extent recovery is not likely, we will establish a valuation allowance. An increase in the valuation allowance results in recording additional tax expense and any such adjustment may materially effect the

Company's future financial result. If the ultimate tax liability differs from the amount of tax expense we have reflected in the Consolidated Statements of Income, an adjustment of tax expense may need to be recorded and this adjustment may materially affect the Company's future financial results.

Revenue recognition — We primarily charge our clients on an hourly basis for the professional services of our associates. We recognize revenue once services have been rendered and invoice the majority of our clients in the United States on a weekly basis. Some of our clients served by our international operations are billed on a monthly basis. Our clients are contractually obligated to pay us for all hours billed. To a much lesser extent, we also earn revenue if a client hires one of our associates. This type of contractually non-refundable revenue is recognized at the time our client completes the hiring process.

Stock-based compensation — Under our 2004 Performance Incentive Plan, officers, employees, and outside directors have received or may receive grants of restricted stock, stock units, options to purchase common stock or other stock or stock-based awards. Under our ESPP, eligible officers and employees may purchase our common stock in accordance with the terms of the plan. Effective May 28, 2006, the Company adopted the fair value recognition provisions of Statement of Financial Accounting Standards ("SFAS") No. 123 (revised), "Share-Based Payment" ("SFAS 123 (R)"), using the modified prospective transition method; accordingly, prior periods have not been restated. Stock-based compensation expense recognized in the Company's Financial Statements for the year ended May 26, 2007 included compensation expense for stock options granted prior to, but not yet vested as of, May 27, 2006. Under the previously accepted accounting standards, there was no stock-based compensation expense related to employee stock options and employee stock purchases recognized during prior periods.

The adoption of SFAS 123 (R) requires that the Company estimate a value for employee stock options on the date of grant using an option-pricing model. We have elected to use the Black-Scholes option-pricing model which takes into account assumptions regarding a number of highly complex and subjective variables. These variables include the expected stock price volatility over the term of the awards and actual and projected employee stock option exercise behaviors. Additional variables to be considered are the expected term and risk-free interest rate over the expected term of our employee stock options. In addition, because stock-based compensation expense recognized in the Statement of Income is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. SFAS 123 (R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures are estimated based on historical experience. If facts and circumstances change and we employ different assumptions in the application of SFAS 123 (R) in future periods, the compensation expense recorded under SFAS 123 (R) may differ materially from the amount recorded in the current period.

The weighted average estimated value per share of employee stock options granted during the years ended May 31, 2008 and May 26, 2007 were $8.20 and $16.34, respectively, using the Black-Scholes model with the following assumptions:

	Year Ended May 31, 2008	**Year Ended May 26, 2007**
Expected volatility	39.9%	39.9% - 48.5%
Risk-free interest rate	2.61% - 4.92%	4.54% - 5.11%
Expected dividends	0.0%	0.0%
Expected life	5.23 years	5.23 years - 6.25 years

The risk-free interest rate assumption is based upon observed interest rates appropriate for the term of our employee stock options. The dividend yield assumption is based on our previous history of not paying dividends and our expectation that the special dividend paid in August 2007 is an isolated event and not the commencement of a regular dividend policy. The Company's historical expected life of stock option grants is 5.23 years. As permitted under Staff Accounting Bulletin No. 107 ("SAB No. 107"), the Company uses its historical volatility over the expected life of the stock option award to estimate the expected volatility of the price of its common stock.

We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

Results of Operations

The following tables set forth, for the periods indicated, our consolidated statements of income data. These historical results are not necessarily indicative of future results.

	For the Years Ended		
	May 31, 2008	May 26, 2007	May 27, 2006
		(Amounts in thousands)	
Revenue	$ 840,285	$ 735,891	$ 633,843
Direct cost of services	518,413	447,363	384,429
Gross profit	321,872	288,528	249,414
Selling, general and administrative expenses	227,853	191,590	149,736
Amortization of intangible assets	1,114	1,472	1,740
Depreciation expense	8,452	6,122	2,958
Income from operations	84,453	89,344	94,980
Interest income	(5,603)	(8,939)	(5,015)
Income before provision for income taxes	90,056	98,283	99,995
Provision for income taxes	40,871	43,518	39,398
Net income	$ 49,185	$ 54,765	$ 60,597

Our operating results for the periods indicated are expressed as a percentage of revenue below.

	2008	2007	2006
Revenue	100.0%	100.0%	100.0%
Direct cost of services	61.7	60.8	60.7
Gross profit	38.3	39.2	39.3
Selling, general and administrative expenses	27.1	26.0	23.6
Amortization of intangible assets	0.1	0.2	0.3
Depreciation expense	1.0	0.8	0.4
Income from operations	10.1	12.2	15.0
Interest income	(0.7)	(1.2)	(0.8)
Income before provision for income taxes	10.8	13.4	15.8
Provision for income taxes	4.9	5.9	6.2
Net income	5.9%	7.5%	9.6%

Year Ended May 31, 2008 Compared to Year Ended May 26, 2007

Computations of percentage change period over period are based upon our results, as rounded and presented herein.

Revenue. Revenue increased $104.4 million, or 14.2%, to $840.3 million for the year ended May 31, 2008 from $735.9 million for the year ended May 26, 2007. An improvement in our average bill rate per hour and an increase in the number of hours billed were the primary causes of the increase in revenue. In addition, fiscal 2008 consisted of 53 weeks while fiscal 2007 consisted of 52 weeks. Revenues during the fifty-third week of fiscal 2008, which included the Memorial Day holiday in the United States, were $15.1 million. All service lines experienced growth in fiscal 2008 compared to fiscal 2007, with the exception of the RAS service line. Although we believe we have improved the awareness of our service offerings with clients and prospective clients because of assistance we have provided during the initial years of compliance with Sarbanes, there can be no assurance that there will be continuing demand for Sarbanes or related internal accounting control services or that our provision of such services will increase demand from our existing clients for our other service lines.

Average bill rates improved by 7.5% compared to the prior year average bill rate. The increase in revenue was also driven by an increase in the number of associates on assignment from 3,276 at the end of fiscal 2007 to 3,490 at the end of fiscal 2008. We operated 89 and 84 offices as of May 31, 2008 and May 26, 2007, respectively. Our clients do not sign long-term contracts with us. Therefore, our future revenue or operating results cannot be reliably predicted from previous quarters or from extrapolation of past results.

Revenue for the Company's major practice areas across the globe consisted of the following (in thousands):

	Revenue for the Year Ended			% of Total	
	May 31, 2008	May 26, 2007	% Change	May 31, 2008	May 26, 2007
North America	$ 627,914	$ 571,239	9.9%	74.7%	77.6%
Europe	171,728	131,316	30.8%	20.4%	17.9%
Asia Pacific	40,643	33,336	21.9%	4.9%	4.5%
Total	$ 840,285	$ 735,891	14.2%	100.0%	100.0%

On a constant currency basis, international revenues would have been lower by $17.8 million and $9.5 million in fiscal 2008 and 2007, respectively, using the comparable fiscal 2007 and fiscal 2006 conversion rates, respectively.

Direct Cost of Services. Direct cost of services increased $71.0 million, or 15.9%, to $518.4 million for the year ended May 31, 2008 from $447.4 million for the year ended May 26, 2007. The increase in direct cost of services was attributable to the increase in our associates average pay rates as well as the previously described increase in number of hours billed; overall, the average pay rate per hour increased by 7.4% year-over-year. The direct cost of services as a percentage of revenue (the "direct cost of services percentage") was 61.7% and 60.8% for the years ended May 31, 2008 and May 26, 2007, respectively. This increase was caused primarily by costs associated with the grant of an extra week of vacation for U.S. associates who met certain eligibility requirements commencing in the first quarter of fiscal 2008.

The cost of compensation and related benefits offered to the associates of our international offices has been greater as a percentage of revenue than our domestic operations. In addition, international offices use independent contractors more extensively. Thus, the direct cost of services percentage of our international offices has usually exceeded our domestic operation's targeted direct cost of services percentage of 60%.

Selling, General and Administrative Expenses. Selling, general and administrative expenses ("S,G & A") increased as a percentage of revenue from 26.0% for the year ended May 26, 2007 to 27.1% for the year ended May 31, 2008. S,G &A increased $36.3 million, or 18.9%, to $227.9 million for the year ended May 31, 2008 from $191.6 million for the year ended May 26, 2007. The increase in S,G &A primarily stems from increased personnel and related benefit costs, in both our U.S. and international markets. Management and administrative headcount grew from 825 at the end of fiscal 2007 to 876 at the end of fiscal 2008. In addition to the increase in salaries and benefit costs, other significant increases in fiscal 2008 included: an increase in spending for advertising, as the Company continued a branding campaign in various United States and international business periodicals; occupancy and related costs from relocated, expanded or new offices; and certain bonuses that are determined based upon revenue, which was higher in fiscal 2008 than in fiscal 2007.

Amortization and Depreciation Expense. Amortization of intangible assets decreased to $1.1 million in fiscal 2008 from $1.5 million in fiscal 2007. The decrease in fiscal 2008 is attributable to the completion of amortization of intangible assets related to previous acquisitions. However, this decrease was partially offset by the Company's completion of its valuation studies during fiscal 2008 of its June 2007 purchase of Compliance Solutions (UK) Ltd. and its December 2007 purchase of Domenica. The Company considered a number of factors in performing these studies, including the valuation of identifiable intangible assets. The total intangible assets acquired included: for Compliance Solutions, approximately $7.4 million of goodwill, $16,000 for a non-compete agreement (amortized over one year) and $763,000 for customer relationships (amortized over five years); and for Domenica, approximately $15.6 million for goodwill, $6.2 million for customer relationships (amortized over seven years) and $556,000 for a database of potential associates (amortized over five years). Based upon identified intangible assets recorded at May 31, 2008, the Company anticipates amortization expense related to identified intangible assets to approximate $1.3 million during the fiscal year ending May 30, 2009.

Depreciation expense increased from $6.1 million for the year ended May 26, 2007 to $8.5 million for the year ended May 31, 2008. The increase in depreciation was related to a higher asset base due to the investments made in offices relocated or expanded since May 2007, and investments in the Company's operating system and other information technology. As the Company continues to invest in new offices or expanded or new office space for existing offices and capital equipment, the Company expects that depreciation expense in future periods will increase.

Interest Income. Interest income was $5.6 million in fiscal 2008 compared to $8.9 million in fiscal 2007. The decrease in interest income is the result of a lower average cash balance available for investment during fiscal 2008 and declining interest rates as compared to fiscal 2007. During fiscal 2008, the Company used approximately $102.1 million to purchase its common stock; paid a special dividend of approximately $60.7 million in the first quarter of fiscal 2008; and used approximately $29.8 million to acquire Domenica (December 2007) and Compliance Solutions (June 2007).

The Company has invested available cash in money market and government-agency bonds that have been classified as cash equivalents due to the short maturities of these investments. As of May 31, 2008, the Company has $26.0 million of investments in commercial paper and government-agency bonds with remaining maturity dates between three months and one year from the balance sheet date classified as short-term investments and considered "held-to-maturity" securities.

Income Taxes. The provision for income taxes decreased from $43.5 million for the year ended May 26, 2007 to $40.9 million for the year ended May 31, 2008. The provision declined primarily because of a reduction in the Company's pretax income in fiscal 2008 as compared to fiscal 2007, offset in part by an increase in the Company's effective tax rate between the two years. The effective tax rate was 45.4% for fiscal 2008 and 44.3% for fiscal 2007. The primary reason for the increase in the effective tax rate was primarily due to increases in state taxes, lower benefit from international tax rates and an increase in the rate attributable to permanent differences because of lower pretax income in fiscal 2008 as compared to fiscal 2007.

In some circumstances, the Company cannot recognize a larger tax benefit relative to the amount of stock-based compensation expense. Under SFAS 123 (R), the Company cannot recognize a tax benefit for certain incentive stock option ("ISO") grants unless and until the holder exercises his or her option and then sells the shares within a certain period of time. In addition, the Company can only recognize a tax benefit for employees' acquisition and subsequent sale of shares purchased through the ESPP if the sale occurs within a certain defined period. As a result, the Company's provision for income taxes is likely to fluctuate from historical rates for the foreseeable future. Further, under SFAS 123 (R), those tax benefits associated with ISO grants fully vested at the date of adoption of SFAS 123 (R) will be recognized as additions to paid-in capital when and if those options are exercised and not as a reduction to the Company's tax provision. The Company recognized a benefit of approximately $4.7 million and $3.4 million related to stock-based compensation for nonqualified stock options expensed and for eligible disqualifying ISO exercises during fiscal 2008 and 2007, respectively. The timing and amount of eligible disqualifying ISO exercises cannot be predicted. The Company predominantly grants nonqualified stock options to employees in the United States.

Periodically, the Company reviews the components of both book and taxable income to analyze the adequacy of the tax provision. There can be no assurance that the Company's effective tax rate will not increase in the future.

Year Ended May 26, 2007 Compared to Year Ended May 27, 2006

Computations of percentage change period over period are based upon our results, as rounded and presented herein.

Revenue. Revenue increased $102.1 million, or 16.1%, to $735.9 million for the year ended May 26, 2007 from $633.8 million for the year ended May 27, 2006. The continued expansion of our scope of services and improved overall demand for our services triggered the increase in revenue, resulting in more billable hours for our associates and an improvement in rate per hour. We believe our business expanded due in part to increasing market awareness of our ability to provide services. In particular, finance and accounting services increased significantly in the current year compared to the prior year. We believe one of the reasons for the increase in these types of engagements is new projects from existing clients who had engaged us to provide services during their initial phase of compliance with Sarbanes. All of our other service offerings (except for RAS) experienced growth in fiscal 2007 compared to fiscal 2006.

Average bill rates improved by 7.3% compared to the prior year average bill rate. The increase in revenue was also driven by the increase in the number of associates on assignment from 2,857 at the end of fiscal 2006 to 3,276 at the end of fiscal 2007. We operated 84 and 78 offices during the final quarters of fiscal 2007 and fiscal 2006, respectively.

Revenue for the Company’s major practice areas across the globe consisted of the following (in thousands):

	Revenue for the Year Ended			% of Total	
	May 26, 2007	May 27, 2006	% Change	May 26, 2007	May 27, 2006
North America	$ 571,239	$ 507,605	12.5%	77.6%	80.1%
Europe	131,316	107,556	22.1%	17.9%	17.0%
Asia Pacific	33,336	18,682	78.4%	4.5%	2.9%
Total	$ 735,891	$ 633,843	16.1%	100.0%	100.0%

On a constant currency basis, international revenues would have been lower by $9.5 million and higher by $6.0 million in fiscal 2007 and 2006, respectively, using the comparable fiscal 2006 and fiscal 2005 conversion rates, respectively.

Direct Cost of Services. Direct cost of services increased $63.0 million, or 16.4%, to $447.4 million for the year ended May 26, 2007 from $384.4 million for the year ended May 27, 2006. The increase in direct cost of services was attributable to the previously described expansion of the scope of services resulting in more chargeable hours for our associates at higher average pay rates; overall, the average pay rate per hour increased by 7.6% year-over-year. The direct cost of services as a percentage of revenue was 60.8% and 60.7% for the years ended May 26, 2007 and May 27, 2006, respectively. This slight increase was caused by an increase in the ratio of direct associate salary expense compared to hourly revenue generated in fiscal 2007 as compared to fiscal 2006.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased as a percentage of revenue from 23.6% for the year ended May 27, 2006 to 26.0% for the year ended May 26, 2007. The increase in selling, general and administrative expenses as a percentage of revenue was caused by the adoption in the first quarter of fiscal 2007 of the fair value recognition provisions of SFAS 123 (R). Prior to fiscal 2007, the Company accounted for its stock-based compensation in accordance with the provisions of APB 25, “Accounting for Stock Issued to Employees.” Under APB 25, the intrinsic value of the options was used to record compensation expense and if the grant price of the options was equal to the fair market value of the option at the date of grant, no compensation expense related to the stock options was included in determining net income and net income per share. Under SFAS 123 (R), the Company determines an estimated value of stock options using the Black-Scholes valuation model. The estimated value determined is recognized as expense over the service period for options that are expected to vest (the Company’s stock options vest over four years). As a result of the implementation of SFAS 123 (R), the Company recognized non-cash stock-based compensation expense of approximately $20.1 million for the year ended May 26, 2007. There was no corresponding amount recorded during fiscal 2006.

Selling, general and administrative expenses increased $41.9 million, or 28.0%, to $191.6 million for the year ended May 26, 2007 from $149.7 million for the year ended May 27, 2006. The increase of $41.9 million includes the amount recognized for non-cash stock-based compensation expense of $20.1 million for the year ended May 26, 2007. The remaining $21.8 million of the increase is due to the Company hiring additional personnel across the enterprise to support and position the larger organization for potential future revenue growth. In particular, compensation and related benefit expenses increased as management and administrative headcount grew from 750 at the end of fiscal 2006 to 825 at the end of fiscal 2007. The increase in dollars spent on compensation was primarily attributable to the increase in salaries and benefit costs as a result of the larger headcount. Other increases in fiscal 2007 were: an increase in spending for advertising, as the Company launched a new branding campaign in various United States and international business periodicals; occupancy and related costs from relocated, expanded or new offices; and bonus expense as a result of the Company's improved revenue results. After considering the improvement in its accounts receivable aging statistics and other qualitative factors, the Company did not recognize any addition to its allowance for doubtful accounts for fiscal 2007.

Amortization and Depreciation Expense. Amortization of intangible assets decreased to $1.5 million in fiscal 2007 from $1.7 million in fiscal 2006. The decrease is attributable to the completion of amortization of intangible assets related to previous acquisitions. In the fourth quarter of fiscal 2007, the Company completed an analysis of the allocation of purchase price related to the acquisition of the remaining 20% of Nordic Spring for $3.0 million. The Company allocated the purchase price based on the fair value of the assets acquired and liabilities assumed with the residual recorded as goodwill. The total intangible assets acquired include approximately $2.6 million for goodwill, $238,000 for customer relationships and $7,000 for an associate database. Both intangible assets acquired are amortized over two years.

Depreciation expense increased from $3.0 million for the year ended May 27, 2006 to $6.1 million for the year ended May 26, 2007. The increase in depreciation was related to a higher asset base due to the investments made in offices relocated or expanded since May 2006, and investments in the Company's new operating system and other information technology. In October 2005, the Company purchased an office building in Irvine, California for approximately $9.3 million to use as its corporate office and domestic service center. The Company moved to the new location in July 2007.

Interest Income. Interest income was $8.9 million in fiscal 2007 compared to $5.0 million in fiscal 2006. The increase in interest income is a combination of a higher average balance available for investment as well as higher interest rates in fiscal 2007.

Income Taxes. The provision for income taxes increased from $39.4 million for the year ended May 27, 2006 to $43.5 million for the year ended May 26, 2007. The effective tax rate was 44.3% for fiscal 2007 and 39.4% for fiscal 2006. The primary reason for the increase was due to the Company's adoption of SFAS 123 (R) and as a result, the Company's projected effective tax rate increased by 4.7 percentage points for fiscal 2007. Under SFAS 123 (R), the Company cannot recognize a tax benefit for certain incentive stock option ("ISO") grants unless and until the holder exercises his or her option and then sells the shares within a certain period of time. In addition, the Company can only recognize a tax benefit for employees' acquisition and subsequent sale of shares purchased through the ESPP if the sale occurs within a certain defined period.

The Company recognized a benefit of approximately $3.4 million related to stock-based compensation for nonqualified stock options expensed and for eligible disqualifying ISO exercises during fiscal 2007. The timing and amount of eligible disqualifying ISO exercises cannot be predicted.

Quarterly Results

The following table sets forth our unaudited quarterly consolidated statements of income data for each of the eight quarters in the two-year period ended May 31, 2008. The quarter ended May 31, 2008 comprised fourteen weeks while all other quarters presented comprised thirteen weeks. In the opinion of management, this data has been prepared on a basis substantially consistent with our audited consolidated financial statements appearing elsewhere in this document, and includes all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the data. The quarterly data should be read together with our consolidated financial statements and related notes appearing elsewhere in this document. The operating results are not necessarily indicative of the results to be expected in any future period.

	Quarters Ended							
	May 31, 2008(2)	Feb. 23, 2008	Nov. 24, 2007	Aug. 25, 2007	May 26, 2007	Feb. 24, 2007	Nov. 25, 2006	Aug. 26, 2006
	(In thousands, except net income per common share)							
CONSOLIDATED STATEMENTS OF INCOME DATA (unaudited):								
Revenue	$ 236,724	$ 202,803	$ 206,638	$ 194,120	$ 200,516	$ 187,464	$ 182,804	$ 165,107
Direct cost of services	143,505	127,252	127,025	120,631	121,354	115,938	110,152	99,919
Gross profit	93,219	75,551	79,613	73,489	79,162	71,526	72,652	65,188
Selling, general and administrative expenses	61,792	57,518	55,514	53,029	51,557	48,577	46,658	44,798
Amortization of intangible assets	565	211	84	254	392	318	344	418
Depreciation expense	2,370	2,200	2,007	1,875	1,759	1,563	1,444	1,356
Income from operations	28,492	15,622	22,008	18,331	25,454	21,068	24,206	18,616
Interest income	(480)	(952)	(1,629)	(2,542)	(2,616)	(2,401)	(2,013)	(1,909)
Income before provision for income taxes	28,972	16,574	23,637	20,873	28,070	23,469	26,219	20,525
Provision for income taxes	13,070	7,909	10,601	9,291	12,012	10,370	11,562	9,574
Net income	$ 15,902	$ 8,665	$ 13,036	$ 11,582	$ 16,058	$ 13,099	$ 14,657	$ 10,951
Net income per common share(1):								
Basic	$ 0.35	$ 0.19	$ 0.28	$ 0.24	$ 0.33	$ 0.27	$ 0.30	$ 0.23
Diluted	$ 0.35	$ 0.19	$ 0.27	$ 0.23	$ 0.32	$ 0.26	$ 0.29	$ 0.22

(1) Net income per common share calculations for each of the quarters were based upon the weighted average number of shares outstanding for each period, and the sum of the quarters may not necessarily be equal to the full year net income per common share amount.

(2) Comprised of fourteen weeks. All other quarters presented comprised thirteen weeks.

Our quarterly results have fluctuated in the past and we believe they will continue to do so in the future. Certain factors that could affect our quarterly operating results are described in Part I Item 1A. “Risk Factors.” Due to these and other factors, we believe that quarter-to-quarter comparisons of our results of operations are not meaningful indicators of future performance.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by our operations and, historically, to a lesser extent, stock option exercises. We have generated positive cash flows from operations since inception, and we continued to do so during the year ended May 31, 2008.

At May 31, 2008, the Company had operating leases, primarily for office premises, expiring at various dates. At May 31, 2008, the Company had no capital leases. The following table summarizes our future minimum rental commitments under operating leases and our other known contractual obligations as of May 31, 2008:

	Payments Due by Period				
Contractual Obligations	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			(Amounts in thousands)		
Operating lease obligations	$ 53,427	$ 14,796	$ 22,522	$ 10,103	$ 6,006
Purchase obligations	$ 2,852	$ 2,417	$ 435	$ —	$ —

The Company has a $3.0 million unsecured revolving credit facility with Bank of America (the "Credit Agreement"). The Credit Agreement allows the Company to choose the interest rate applicable to advances. The interest rate options are Bank of America's prime rate, a London Inter-Bank Offered ("LIBOR") rate plus 1.5% or Bank of America's Grand Cayman Banking Center ("LIBOR") rate plus 1.5%. Interest, if any, is payable monthly. There is an annual facility fee of 0.25% payable on the unutilized portion of the Credit Agreement. The Credit Agreement expires December 1, 2009. As of May 31, 2008, the Company had approximately $2.4 million available under the terms of the Credit Agreement as Bank of America has issued approximately $600,000 of outstanding letters of credit in favor of third parties related to operating leases. The Company is in compliance with all covenants included in the Credit Agreement.

Net cash provided by operating activities totaled $57.4 million in fiscal 2008 compared to $88.1 million in fiscal 2007. Cash provided by operations in fiscal 2008 resulted from the net income of the Company of $49.2 million, adjusted for non-cash items of $23.1 million, plus net cash used by changes in operating assets and liabilities of $14.9 million. In fiscal 2007, cash provided by operations resulted from net income of the Company of $54.8 million, adjusted for non-cash items of $19.6 million, offset by net cash used for changes in operating assets and liabilities of $13.7 million. The most significant causes of the decrease in operating cash flows were: 1) the Company's accruals for vacation and bonuses increased as the amount of vacation granted to associates increased effective in the first quarter of fiscal 2008 and the amount of bonus eligible revenue increased during fiscal 2008. However, these increases were offset by a decrease in accrued salaries at the end of fiscal 2008. The majority of our employees are paid on a bi-weekly payroll cycle; since fiscal 2008 was a 53 week year, the payroll accrual cycle shifted, resulting in a reduction of accrued salaries (only one week or no amount of salary accrual was needed in fiscal 2008, whereas, at the end of fiscal 2007, two weeks or one week of salary accrual was needed). The net impact resulted in a reduction in cash provided of $9.4 million compared to fiscal 2007; and 2) the Company's position on amounts due for income taxes shifted from a liability to a prepayment, resulting in a use of cash of $17.0 million. Non-cash items increased beginning in fiscal 2007 as a result of the Company's adoption of the accounting required in SFAS 123(R) to expense stock-based compensation; these charges do not reflect an actual cash outflow from the Company but are an estimate of the fair value of the services provided by employees and directors in exchange for stock option grants and purchase of stock through the Company's ESPP. The Company had $106.8 million in cash and cash equivalents and short-term investments at May 31, 2008.

Net cash provided by investing activities totaled $37.1 million for fiscal 2008 compared to a use of cash in investing activities of $20.8 million for fiscal 2007. Cash used to invest in short-term and long-term marketable securities (commercial paper and government agency bonds) net of cash received from the redemption of short-term and long-term investments resulted in a net provision of $76.0 million in fiscal 2008 but a use of cash of $5.0 million in fiscal 2007. The Company utilized some of its portfolio of investments in fiscal 2008 to provide funding for the dividend payment and stock purchases discussed in the financing activities paragraph below. During fiscal 2008, the Company purchased Compliance Solutions for approximately $8.4 million, including cash of approximately $6.2 million (excluding cash acquired of $200,000), and Domenica for approximately $23.6 million (excluding cash acquired of $2.1 million). In addition, the Company used approximately $11.3 million on property and equipment in fiscal 2008, compared to $14.6 million in fiscal 2007.

Net cash used in financing activities totaled $138.0 million for the year ended May 31, 2008, compared to $35.4 million for the year ended May 26, 2007. The causes of the increase in use of cash were as follows: 1) the payment in August 2007 of a special cash dividend of $1.25 per share of common stock for an aggregate amount of approximately $60.7 million; there was no dividend payment made in fiscal 2007; and 2) the Company's use of approximately $102.1 million to purchase approximately 4.8 million shares of its common stock at an average price of $21.43 per share during fiscal 2008; during fiscal 2007, the Company purchased approximately 2.1 million shares of its common stock at an average price of $29.16 per share for approximately $60.1 million. The increase in the use of cash was offset by cash received from stock option exercises and sales of common stock through the ESPP of $22.4 million in fiscal 2008 compared to $21.0 million in fiscal 2007.

Our ongoing operations and anticipated growth in the geographic markets we currently serve will require us to continue to make investments in capital equipment, primarily technology hardware and software. In addition, we may consider making strategic acquisitions. We anticipate that our current cash and the ongoing cash flows from our operations will be adequate to meet our working capital and capital expenditure needs for at least the next 12 months. If we require additional capital resources to grow our business, either internally or through acquisition, we may seek to sell additional equity securities or to secure debt financing. The sale of additional equity securities or certain forms of debt financing could result in additional dilution to our stockholders. We may not be able to obtain financing arrangements in amounts or on terms acceptable to us in the future. In the event we are unable to obtain additional financing when needed, we may be compelled to delay or curtail our plans to develop our business, which could have a material adverse effect on our operations, market position and competitiveness.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements is contained in Note 2 to the Consolidated Financial Statements for the year ended May 31, 2008.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.*

Interest Rate Risk. At the end of fiscal 2008, we had approximately $106.8 million of cash and cash equivalents and short-term investments. Securities that the Company has the ability and positive intent to hold to maturity are carried at amortized cost. These securities consist of commercial paper and government-agency bonds. Cost approximates market for these securities. The earnings on these investments are subject to changes in interest rates; however, assuming a constant balance available for investment, a 10% decline in interest rates would reduce our interest income but would not have a material impact on our consolidated financial position or results of operations.

Foreign Currency Exchange Rate Risk. For the year ended May 31, 2008, approximately 27% of the Company's revenues were generated outside of the United States. As a result, our operating results are subject to fluctuations in the exchange rates of foreign currencies in relation to the United States dollar. Revenues and expenses denominated in foreign currencies are translated into United States dollars at the monthly average exchange rates prevailing during the period. Thus, as the value of the United States dollar fluctuates relative to the currencies in our non-U.S. based operations, our reported results may vary.

Assets and liabilities of our non-United States based operations are translated into United States dollars at the exchange rate effective at the end of each monthly reporting period. Approximately 71% of our fiscal year-end balances of cash, short-term investments and investments in marketable securities were denominated in United States dollars. The remaining approximately 29% was comprised primarily of cash balances translated from Swedish Krona, Euros, British Pounds, Hong Kong Dollars or Japanese Yen. The difference resulting from the translation each period of assets and liabilities of our non-United States based operations is recorded in stockholders' equity as a component of accumulated other comprehensive gain.

Although we intend to monitor our exposure to foreign currency fluctuations, we do not currently use financial hedging techniques to mitigate risks associated with foreign currency fluctuations and we cannot assure you that exchange rate fluctuations will not adversely affect our financial results in the future.

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.***

RESOURCES CONNECTION, INC.

FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm	42
Consolidated Balance Sheets as of May 31, 2008 and May 26, 2007	43
Consolidated Statements of Income for each of the three years in the period ended May 31, 2008	44
Consolidated Statements of Stockholders' Equity and Comprehensive Income for each of the three years in the period ended May 31, 2008	45
Consolidated Statements of Cash Flows for each of the three years in the period ended May 31, 2008	46
Notes to Consolidated Financial Statements	47

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Resources Connection, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, stockholders' equity, comprehensive income and cash flows present fairly, in all material respects, the financial position of Resources Connection, Inc. and its subsidiaries at May 31, 2008 and May 26, 2007, and the results of their operations and their cash flows for each of the three years in the period ended May 31, 2008 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of May 31, 2008, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in "Management's Report on Internal Control Over Financial Reporting," appearing under Item 9A. *Controls and Procedures*. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for uncertain tax positions in the year ended May 31, 2008 and share-based compensation in the year ended May 26, 2007.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Orange County, California
July 30, 2008

RESOURCES CONNECTION, INC.

CONSOLIDATED BALANCE SHEETS

	May 31, 2008	May 26, 2007
	(Amounts in thousands, except par value per share)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 80,814	$ 121,095
Short-term investments	26,000	55,000
Trade accounts receivable, net of allowance for doubtful accounts of $3,976 and $4,588 as of May 31, 2008 and May 26, 2007, respectively	126,669	105,146
Prepaid expenses and other current assets	6,075	5,966
Prepaid income taxes	530	—
Deferred income taxes	9,102	8,123
Total current assets	249,190	295,330
U.S. Government agency securities	—	47,000
Goodwill	107,761	83,263
Intangible assets, net	7,644	654
Property and equipment, net	39,901	35,347
Deferred income taxes	4,685	2,068
Other assets	1,321	799
Total assets	$ 410,502	$ 464,461
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 19,315	$ 16,850
Accrued salaries and related obligations	64,174	60,407
Income taxes payable and other liabilities	7,935	10,426
Total current liabilities	91,424	87,683
Other long-term liabilities	7,269	6,301
Deferred income taxes	5,921	7,178
Total liabilities	104,614	101,162
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, $0.01 par value, 5,000 shares authorized; zero shares issued and outstanding		
Common stock, $0.01 par value, 70,000 shares authorized; 52,294 and 50,731 shares issued, and 44,654 and 47,777 shares outstanding as of May 31, 2008 and May 26, 2007, respectively	523	507
Additional paid-in capital	249,033	199,741
Accumulated other comprehensive gains	8,534	2,629
Retained earnings	230,505	242,628
Treasury stock at cost, 7,640 and 2,954 shares at May 31, 2008 and May 26, 2007, respectively	(182,707)	(82,206)
Total stockholders' equity	305,888	363,299
Total liabilities and stockholders' equity	$ 410,502	$ 464,461

The accompanying notes are an integral part of these financial statements.

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF INCOME

	For the Years Ended May 31, 2008	May 26, 2007	May 27, 2006
	(Amounts in thousands, except net income per common share)		
Revenue	$ 840,285	$ 735,891	$ 633,843
Direct cost of services	518,413	447,363	384,429
Gross profit	321,872	288,528	249,414
Selling, general and administrative expenses	227,853	191,590	149,736
Amortization of intangible assets	1,114	1,472	1,740
Depreciation expense	8,452	6,122	2,958
Income from operations	84,453	89,344	94,980
Interest income	(5,603)	(8,939)	(5,015)
Income before provision for income taxes	90,056	98,283	99,995
Provision for income taxes	40,871	43,518	39,398
Net income	$ 49,185	$ 54,765	$ 60,597
Net income per common share			
Basic	$ 1.06	$ 1.13	$ 1.26
Diluted	$ 1.03	$ 1.08	$ 1.17
Weighted average common shares outstanding			
Basic	46,545	48,353	48,054
Diluted	47,934	50,644	51,676

The Consolidated Statements of Income for the years ended May 31, 2008 and May 26, 2007 reflect the adoption of Statement of Financial Accounting Standards No. 123 (revised), “Share-Based Payment” effective with the Company’s first quarter of fiscal 2007. The adoption of this standard resulted in an increase in selling, general and administrative expenses of $22.4 million and $20.1 million and a decrease in the provision for income taxes of $4.7 million and $3.4 million for the years ended May 31, 2008 and May 26, 2007, respectively. There were no corresponding amounts recognized in the Consolidated Statements of Income for the year ended May 27, 2006 (see notes 2 and 14 to the financial statements).

The accompanying notes are an integral part of these financial statements.

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

	Common Stock		Additional Paid-in Capital	Deferred Stock Compensation	Treasury Stock		Accumulated Other Comprehensive Gain	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			Shares	Amount			
					(Amounts in thousands)				
Balances as of May 28, 2005	47,968	$ 479	$ 125,271	$ —	564	$ (5,281)	$ 632	$ 127,266	$ 248,367
Exercise of stock options	1,365	14	15,452						15,466
Tax benefit from employee stock option plans			7,384						7,384
Issuance of common stock under Employee Stock Purchase Plan	169	2	3,360						3,362
Repurchase of treasury stock					685	(18,112)			(18,112)
Issuance of restricted stock	25		599	(599)					—
Amortization of deferred stock compensation				120					120
Comprehensive Income:									
Currency translation adjustment							252		252
Net income for the year ended May 27, 2006								60,597	60,597
Total comprehensive income	—	—	—	—	—	—	—	—	60,849
Balances as of May 27, 2006	49,527	495	152,066	(479)	1,249	(23,393)	884	187,863	317,436
Exercise of stock options	1,221	12	15,266						15,278
Stock-based compensation expense related to employee stock options and employee stock purchases			20,107						20,107
Tax benefit from employee stock option plans			6,763						6,763
Issuance of common stock under Employee Stock Purchase Plan	273	3	5,747						5,750
Reclassification of deferred stock compensation			(479)	479					—
Issuance of treasury stock for Nordic Spring transaction			572		(65)	948			1,520
Repurchase of treasury stock					2,060	(60,065)			(60,065)
Cancellation of treasury stock	(290)	(3)	(301)		(290)	304			—
Comprehensive Income:									
Currency translation adjustment							1,745		1,745
Net income for the year ended May 26, 2007								54,765	54,765
Total comprehensive income	—	—	—	—	—	—	—	—	56,510
Balances as of May 26, 2007	50,731	507	199,741	—	2,954	(82,206)	2,629	242,628	363,299
Exercise of stock options	1,168	12	14,497						14,509
Stock-based compensation expense related to employee stock options and employee stock purchases			22,386						22,386
Tax benefit from employee stock option plans			3,911						3,911
Issuance of common stock under Employee Stock Purchase Plan	405	4	7,910						7,914
Issuance of treasury stock for Compliance Solutions (UK) Ltd. transaction			777		(67)	1,375			2,152
Repurchase of treasury stock					4,763	(102,065)			(102,065)
Cancellation of treasury stock	(10)		(189)		(10)	189			—
Cash dividends $1.25 per share								(60,652)	(60,652)
Cumulative impact from adoption of FASB Interpretation No. 48								(656)	(656)
Comprehensive Income:									
Currency translation adjustment							5,905		5,905
Net income for the year ended May 31, 2008								49,185	49,185
Total comprehensive income	—	—	—	—	—	—	—	—	55,090
Balances as of May 31, 2008	52,294	$ 523	$ 249,033	$ —	7,640	$ (182,707)	$ 8,534	$ 230,505	$ 305,888

The accompanying notes are an integral part of these financial statements.

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended		
	May 31, 2008	May 26, 2007	May 27, 2006
	(Amounts in thousands)		
Cash flows from operating activities:			
Net income	$ 49,185	$ 54,765	$ 60,597
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	9,566	7,594	4,698
Stock-based compensation expense related to employee stock options and employee stock purchases	22,386	20,107	—
Excess tax benefits from stock-based compensation	(2,331)	(3,607)	—
Amortization of deferred stock compensation	—	—	120
Bad debt expense	738	—	865
Tax benefit from exercise of stock options	—	—	7,384
Deferred income tax benefit	(7,242)	(4,472)	(1,125)
Changes in operating assets and liabilities, net of effect of acquisitions:			
Trade accounts receivable	(13,234)	(13,118)	(10,185)
Prepaid expenses and other current assets	701	(1,033)	(1,379)
Income taxes payable	(3,910)	13,135	—
Other assets	(853)	(106)	2,563
Accounts payable and accrued expenses	(1,847)	1,799	(3,828)
Accrued salaries and related obligations	1,105	10,545	10,048
Other liabilities	3,150	2,538	1,419
Net cash provided by operating activities	57,414	88,147	71,177
Cash flows from investing activities:			
Redemption of long-term investments	55,000	37,000	5,000
Purchase of long-term investments	(14,000)	(80,000)	(60,000)
Redemption of short-term investments	79,000	38,000	84,000
Purchase of short-term investments	(44,000)	—	(30,000)
Business acquisitions, net of cash acquired	(27,569)	(1,261)	(265)
Purchases of property and equipment	(11,333)	(14,551)	(20,753)
Net cash provided by (used in) investing activities	37,098	(20,812)	(22,018)
Cash flows from financing activities:			
Proceeds from exercise of stock options	14,509	15,278	15,466
Proceeds from issuance of common stock under Employee Stock Purchase Plan	7,914	5,750	3,362
Purchase of common stock	(102,065)	(60,065)	(18,112)
Excess tax benefits from stock-based compensation	2,331	3,607	—
Cash dividends paid	(60,652)	—	—
Net cash (used in) provided by financing activities	(137,963)	(35,430)	716
Effect of exchange rate changes on cash	3,170	751	(177)
Net (decrease) increase in cash	(40,281)	32,656	49,698
Cash and cash equivalents at beginning of period	121,095	88,439	38,741
Cash and cash equivalents at end of period	$ 80,814	$ 121,095	$ 88,439

The accompanying notes are an integral part of these financial statements.

RESOURCES CONNECTION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Company and its Business

Resources Connection, Inc. ("Resources Connection") was incorporated on November 16, 1998. Resources Connection is an international professional services firm; its operating entities provide services under the name Resources Global Professionals ("Resources Global" or the "Company"). The Company provides clients with experienced professionals who specialize in accounting and finance, information management, human capital, supply chain management, legal services and internal audit and risk management on a project basis. The Company has offices in the United States ("U.S."), Asia, Australia, Canada, Europe and Mexico. Resources Connection is a Delaware corporation.

The Company's fiscal year consists of 52 or 53 weeks, ending on the Saturday in May nearest the last day of May in each year. The fiscal year ended May 31, 2008 consisted of 53 weeks. The fiscal years ended May 26, 2007 and May 27, 2006 consisted of 52 weeks.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company ("financial statements") have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") and the rules of the Securities and Exchange Commission ("SEC"). The financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition

Revenues are recognized and billed when the Company's professionals deliver services. Conversion fees are recognized when one of the Company's professionals accepts an offer of permanent employment from a client. Conversion fees were 0.5%, 0.6% and 0.6% of revenue for the years ended May 31, 2008, May 26, 2007 and May 27, 2006, respectively. All costs of compensating the Company's professionals are the responsibility of the Company and are included in direct cost of services.

Client Reimbursements of "Out-of-Pocket" Expenses

In accordance with Emerging Issues Task Force No. 01-14, "Income Statement Characterization of Reimbursements Received for "Out-of-Pocket" Expenses Incurred," the Company recognizes all reimbursements received from clients for "out-of-pocket" expenses as revenue and all expenses as direct cost of services. Reimbursements received from clients were $18,327,000, $16,949,000 and $16,812,000 for the years ended May 31, 2008, May 26, 2007 and May 27, 2006, respectively.

Foreign Currency Translation

The financial statements of subsidiaries outside the U.S. are measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at current exchange rates, income and expense items are translated at average exchange rates prevailing during the period and the related translation adjustments are recorded as a component of comprehensive income or loss within stockholders' equity. Gains and losses from foreign currency transactions are included in the consolidated statements of income.

Per Share Information

The Company presents both basic and diluted earnings per share ("EPS") amounts in accordance with SFAS No. 128, "Earnings Per Share." This pronouncement establishes standards for the computation, presentation and disclosure requirements for EPS for entities with publicly held common shares and potential common shares. Basic EPS is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS is based upon the weighted average number of common and common equivalent shares outstanding during the period, calculated using the treasury stock method for stock options. Under the treasury stock method, exercise proceeds include the amount the employee must pay for exercising stock options, the amount of compensation cost for future services that the Company has not yet recognized and the amount of tax benefits that would be recorded in additional paid-in capital when the award becomes deductible. Common equivalent shares are excluded from the computation in periods in which they have an anti-dilutive effect. Stock options for which the exercise price exceeds the average market price over the period are anti-dilutive and are excluded from the calculation.

The following table summarizes the calculation of net income per share for the years ended May 31, 2008, May 26, 2007 and May 27, 2006 (in thousands, except per share amounts):

	2008	2007	2006
Net income	$ 49,185	$ 54,765	$ 60,597
Basic:			
Weighted average shares	46,545	48,353	48,054
Diluted:			
Weighted average shares	46,545	48,353	48,054
Potentially dilutive shares	1,389	2,291	3,622
Total dilutive shares	47,934	50,644	51,676
Net income per share:			
Basic	$ 1.06	$ 1.13	$ 1.26
Diluted	$ 1.03	$ 1.08	$ 1.17

The potentially dilutive shares presented above do not include the anti-dilutive effect of approximately 4,833,000, 3,591,000 and 514,000 potential common shares for the years ended May 31, 2008, May 26, 2007 and May 27, 2006, respectively.

Cash and Cash Equivalents

The Company considers cash on hand, deposits in banks, and short-term investments purchased with an original maturity date of three months or less to be cash and cash equivalents. The carrying amounts reflected in the consolidated balance sheets for cash and cash equivalents approximate the fair values due to the short maturities of these instruments.

Short and Long-Term Investments

The Company accounts for its marketable securities in accordance with SFAS No. 115, “Accounting for Certain Investments in Debt and Equity Securities”. Accordingly, debt securities that the Company has the ability and positive intent to hold to maturity are carried at amortized cost.

As of May 31, 2008 and May 26, 2007, $26.0 million and $55.0 million, respectively, of the Company’s investment in debt securities had original contractual maturities of between three months and one year. The Company’s portfolio does not include any auction rate securities in either fiscal year. As of May 26, 2007,

$47.0 million of the Company's investment in debt securities had original contractual maturities of one to two years. The components of the Company's short and long-term investments are as follows (in thousands):

	As of May 31, 2008			As of May 26, 2007		
	Cost	Gross Unrealized Holding Gain (Loss)	Fair Value	Cost	Gross Unrealized Holding Gain (Loss)	Fair Value
U.S. Government agency bonds	$ 20,000	$ (82)	$ 19,918	$ 102,000	$ (158)	$ 101,842
Commercial paper	$ 6,000	$ (33)	$ 5,967	$ —	$ —	$ —

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts for estimated losses resulting from its clients failing to make required payments for services rendered. Management estimates this allowance based upon knowledge of the financial condition of its clients, review of historical receivable and reserve trends and other pertinent information. If the financial condition of the Company's clients deteriorates or there is an unfavorable trend in aggregate receivable collections, additional allowances may be required.

The following table summarizes the activity in our allowance for doubtful accounts (in thousands):

	Beginning Balance	Charged to Operations	Write-offs	Ending Balance
Years Ended:				
May 27, 2006	$ 5,268	$ 865	$ (967)	$ 5,166
May 26, 2007	$ 5,166	$ —	$ (578)	$ 4,588
May 31, 2008	$ 4,588	$ 738	$ (1,350)	$ 3,976

Prepaid Expenses and Other Current Assets

The Company's prepaid expenses and other current assets as of May 31, 2008 include a receivable of approximately $23,000 from a former Company officer. This amount was repaid subsequent to year-end.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the following estimated useful lives:

Building	30 years
Furniture	5 to 10 years
Leasehold improvements	Lesser of useful life of asset or term of lease
Computer, equipment and software	3 to 5 years

Costs for normal repairs and maintenance are expensed to operations as incurred, while renewals and major refurbishments are capitalized.

Assessments of whether there has been a permanent impairment in the value of property and equipment are periodically performed by considering factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. Management believes no permanent impairment has occurred.

Intangible Assets and Goodwill

In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," goodwill and other intangible assets with indefinite lives are not subject to amortization but are tested for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired. The Company performed their annual impairment analysis as of May 31, 2008 and will continue to test for impairment annually. No impairment was indicated as of May 31, 2008. Other intangible assets with finite lives are subject to amortization, and impairment reviews are performed in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." No impairment was indicated as of May 31, 2008.

See Note 5-*Intangible Assets and Goodwill* for further description of the Company's intangible assets.

Stock-Based Compensation

Effective May 28, 2006, the Company adopted SFAS No. 123 revised, "Share-Based Payment" ("SFAS 123 (R)") which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors, including employee stock options and employee stock purchases made via the Company's Employee Stock Purchase Plan, to be based on estimated fair value at date of grant. Prior to that date, the Company accounted for its stock-based compensation in accordance with the provisions of Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees." Under APB No. 25, the intrinsic value of the options was used to record compensation expense and if the grant price of the options was equal to the fair market value of the option at the date of grant, no compensation expense related to the stock options was included in determining net income and net income per share. In March 2005, the SEC issued Staff Accounting Bulletin No. 107 ("SAB 107") related to SFAS 123 (R). The Company has applied the provisions of SAB 107 in adopting SFAS 123 (R).

The Company adopted SFAS 123 (R) using the modified prospective method, which requires the application of the accounting standard as of May 28, 2006, the beginning of the Company's 2007 fiscal year. In accordance with the modified prospective method, the Company's previously issued financial statements have not been restated to reflect the impact of SFAS 123 (R). Stock-based compensation expense recognized under SFAS 123 (R) and included in selling, general and administrative expenses for the years ended May 31, 2008 and May 26, 2007 was $22.4 million and $20.1 million; this consisted of stock-based compensation expense related to employee stock options, employee stock purchases made via the Company's Employee Stock Purchase Plan and issuances of restricted stock. There was no stock-based compensation expense related to employee stock options and employee stock purchases recognized for the year ended May 27, 2006.

SFAS 123 (R) requires companies to estimate a value for share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods (four years under the Company's 2004 Performance Incentive Plan). Under both SFAS 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), and SFAS 123 (R), the Company determines the estimated value of stock options using the Black-Scholes valuation model. Under the pro forma information required under SFAS 123 for periods prior to fiscal 2007, the Company accounted for forfeitures as they occurred. SFAS 123 (R) requires the Company to recognize expense over the service period for options that are expected to vest and record adjustments to compensation expense at the end of the service period if actual forfeitures differ from original estimates. The Company recognizes stock-based compensation expense on a straight-line basis.

See Note 14 — *Stock Based Compensation Plans* for further information on stock-based compensation expense and the resulting impact on the provision for income taxes.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes". Under this method, deferred income taxes are recognized for the estimated tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established to reduce deferred tax assets to the amount expected to be realized when, in management's opinion, it is more likely than not, that some portion of the deferred tax assets will not be realized. The provision for income taxes represents current taxes payable net of the change during the period in deferred tax assets and liabilities.

Recent Accounting Pronouncements

The Company adopted the provisions of FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109" effective with the first quarter of fiscal 2008. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in an income tax return. The interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As a result of the implementation of FIN 48, the Company increased its liability for unrecognized tax benefits by $656,000 with a corresponding decrease to retained earnings on May 27, 2007.

In December 2007, the Financial Accounting Standards Board ("FASB") issued SFAS 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51" ("SFAS 160"). SFAS 160 requires (a) that noncontrolling (minority) interest be reported as a component of shareholders' equity; (b) that net income attributable to the parent and to the noncontrolling interest be separately identified in the consolidated statement of operations; (c) that changes in a parent's ownership interest while the parent retains its controlling interest be accounted for as equity transactions; (d) that any retained noncontrolling equity investment upon the deconsolidation of the subsidiary be initially measured at fair value; and (e) that sufficient disclosures are provided that clearly identify and distinguish between the interest of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning after December 15, 2008. The Company currently has no noncontrolling interests that would require application of the pronouncement at the date of required implementation.

In December 2007, the FASB issued SFAS 141(revised 2007), "Business Combinations" ("SFAS 141 (R)"). SFAS 141 (R) will significantly change how business combinations are accounted for and will be effective for business combinations the Company consummates on June 1, 2009 and thereafter.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities-Including an Amendment of FAS 115" ("SFAS 159"), which permits companies to measure certain financial assets and financial liabilities at fair value. Under SFAS 159, companies that elect the fair value option will report unrealized gains and losses in earnings at each subsequent reporting date. The fair value option may be elected on an instrument-by-instrument basis. SFAS 159 establishes presentation and disclosure requirements to clarify the effect of a company's election on its earnings but does not eliminate disclosure requirements of other accounting standards. Assets and liabilities that are measured at fair value must be displayed on the face of the balance sheet. SFAS 159 is effective as of the beginning of our 2009 fiscal year. The Company does not expect the adoption of SFAS 159 to have a material impact on its consolidated financial position or results of operations.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157"). This new standard provides guidance for using fair value to measure assets and liabilities and information about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. This framework is intended to provide increased consistency in how fair value determinations are made under various existing accounting standards which permit, or in some cases require, estimates of fair market value. SFAS 157 also expands financial statement disclosure requirements about a company's use of fair value measurements, including the effect of such measures on earnings. SFAS 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. However, the FASB staff has approved a one year deferral for the implementation of SFAS 157 for non-financial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Non-financial assets and liabilities for which we have not applied the provisions of SFAS 157 include those measured at fair value in goodwill impairment testing and asset impairments under SFAS 144. We will adopt this statement for financial assets and liabilities effective June 1, 2008 and the Company does not expect there will be a material impact from adoption of this standard on our consolidated financial statements, although we may need to do additional disclosures in the financial statement footnotes. We also do not expect adoption of this standard, as it pertains to non-financial assets and liabilities, to have a material impact on our financial position or results of operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes these estimates and assumptions are adequate, actual results could differ from the estimates and assumptions used.

3. Acquisitions

On December 18, 2007, the Company acquired Domenica B.V. ("Domenica"), a Netherlands based provider of actuarial services to pension and life insurance companies. The Company paid cash of approximately $23.6 million for the acquisition, including an earn-out payment of $4.0 million in May 2008.

In accordance with SFAS No. 141, "Business Combinations," the Company allocated the purchase price of Domenica based on the fair value of the assets acquired and liabilities assumed with the residual recorded as goodwill. The Company completed its purchase price allocation after considering a number of factors, including the valuation of identifiable intangible assets. The total intangible assets acquired include approximately $15.6 million for goodwill, $6.2 million for customer relationships (amortized over seven years) and $556,000 for a database of potential associates (amortized over five years). The goodwill and other intangibles recognized in this transaction are not deductible for tax purposes. Assuming Domenica had been acquired on May 28, 2006, the pro forma impact to the Company's revenue and net income was insignificant for the years ended May 31, 2008 and May 26, 2007.

The purchase agreement of Domenica also requires additional earn-out payments as follows: 1) for calendar year 2007, if Domenica's earnings before interest, income taxes, depreciation and amortization ("EBITDA") exceed 2.5 million Euros, then an amount equal to EBITDA less 400,000 Euros; 2) for calendar year 2008, if Domenica's EBITDA exceed 2.5 million Euros, then an amount equal to EBITDA less 600,000 Euros. The first earn-out payment of approximately $4.0 million was paid in the fourth quarter of fiscal 2008 and was recorded as additional goodwill.

On June 1, 2007, the Company completed the acquisition of Compliance Solutions (UK) Ltd. ("Compliance Solutions"), a United Kingdom-based provider of regulatory compliance services to investment advisors, hedge funds, private equity and venture capital firms, insurance companies and other financial institutions. The Company paid approximately $8.4 million for the acquisition, consisting of $6.2 million in cash and $2.2 million in the Company's stock.

The acquisition was accounted for as a purchase in accordance with SFAS No. 141, "Business Combinations". Under SFAS No. 141, the Company allocated the purchase price of Compliance Solutions based on the fair value of the assets acquired and liabilities assumed with the residual recorded as goodwill. The Company completed its purchase price allocation after considering a number of factors, including the valuation of the identifiable intangible assets. The total intangible assets acquired included approximately $7.4 million of goodwill, $16,000 for a non-compete agreement (amortized over one year) and $763,000 for customer relationships (amortized over five years). The goodwill and other intangibles recognized in this transaction are not deductible for tax purposes. Assuming Compliance Solutions was acquired on May 28, 2006, the pro forma impact to the Company's revenue and net income was insignificant for the year ended May 26, 2007.

On August 27, 2004, the Company acquired approximately 80% of Nordic Spring Management Consulting AB ("Nordic Spring") of Stockholm, Sweden for $4.6 million. The Company purchased the remaining 20% of the shares of Nordic Spring in the first quarter of fiscal 2007. The purchase price of $3.0 million was based on Nordic Spring's operating income (before interest and depreciation) during the Company's 2006 fiscal year, and was paid 50% in cash and 50% in the Company's common stock (65,170 shares).

The acquisition of the remaining 20% of Nordic Spring was accounted for as a purchase under SFAS No. 141, "Business Combinations". In accordance with SFAS No. 141, the Company allocated the purchase price based on the fair value of the assets acquired and liabilities assumed with the residual recorded as goodwill. The total intangible assets acquired include approximately $2.6 million for goodwill, $238,000 for customer relationships and $7,000 for an associate database. The goodwill recognized in this transaction is not deductible for tax purposes. The other intangible assets acquired are amortized over two years.

4. Property and Equipment

Property and equipment consist of the following (in thousands):

	As of May 31, 2008	As of May 26, 2007
Building and land	$ 12,739	$ 10,870
Computers, equipment and software	17,083	13,600
Leasehold improvements	22,236	16,563
Furniture	9,741	7,892
	61,799	48,925
Less accumulated depreciation and amortization	(21,898)	(13,578)
	$ 39,901	$ 35,347

RESOURCES CONNECTION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

5. Intangible Assets and Goodwill

The following table presents details of our intangible assets and related accumulated amortization (in thousands):

	As of May 31, 2008			As of May 26, 2007		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer relationships (2-7 years)	$ 12,735	$ (5,761)	$ 6,974	$ 5,248	$ (4,942)	$ 306
Associate and customer database (1-5 years)	2,366	(1,778)	588	1,766	(1,513)	253
Non-compete agreements (1-4 years)	819	(819)	—	802	(789)	13
Developed technology (3 years)	520	(520)	—	520	(520)	—
Trade name and trademark (indefinite life)	82	—	82	82	—	82
Total	$ 16,522	$ (8,878)	$ 7,644	$ 8,418	$ (7,764)	$ 654

The Company recorded amortization expense for the years ended May 31, 2008, May 26, 2007 and May 27, 2006 of $1,114,000, $1,472,000 and $1,740,000, respectively. Estimated intangible asset amortization expense (based on existing intangible assets) for the years ending May 30, 2009, May 29, 2010, May 28, 2011, May 26, 2012 and May 31, 2013 is $1,307,000, $1,239,000, $1,239,000, $1,239,000 and $1,035,000, respectively.

The following is a roll forward of the Company's goodwill balance (in thousands):

Goodwill, as of May 26, 2007	$ 83,263
Acquisitions	23,022
Impact of foreign currency exchange rate changes	1,476
Goodwill, as of May 31, 2008	$ 107,761

6. Income Taxes

The following table represents the current and deferred income tax provision for federal and state income taxes attributable to operations (in thousands):

	For the Years Ended		
	May 31, 2008	May 26, 2007	May 27, 2006
Current			
Federal	$ 33,277	$ 35,730	$ 29,462
State	8,245	7,709	7,115
Foreign	6,384	4,577	3,946
	47,906	48,016	40,523
Deferred			
Federal	(3,560)	(3,147)	(197)
State	(697)	(622)	(51)
Foreign	(2,778)	(729)	(877)
	(7,035)	(4,498)	(1,125)
	$ 40,871	$ 43,518	$ 39,398

Income before provision for income taxes are as follows (in thousands):

	For the Years Ended		
	May 31, 2008	May 26, 2007	May 27, 2006
Domestic	$ 79,958	$ 86,837	$ 90,374
Foreign	10,098	11,446	9,621
	$ 90,056	$ 98,283	$ 99,995

The provision for income taxes differs from the amount that would result from applying the federal statutory rate as follows:

	For the Years Ended		
	May 31, 2008	May 26, 2007	May 27, 2006
Statutory tax rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit	5.3%	4.7%	4.6%
Stock options	3.9%	3.9%	—
Other, net	1.2%	0.7%	(0.2)%
Effective tax rate	45.4%	44.3%	39.4%

The impact of state taxes, net of federal benefit, and foreign income taxed at other than U.S. rates fluctuates year over year due to the changes in the mix of operating income and losses amongst the various states and foreign jurisdictions in which the Company operates.

The components of the net deferred tax asset consist of the following (in thousands):

	May 31, 2008	May 26, 2007
Deferred tax assets:		
Allowance for doubtful accounts	$ 1,797	$ 1,910
Accrued compensation	4,584	3,374
Accrued expenses	2,469	2,160
Stock options and restricted stock	6,119	2,789
Tax credits	6	37
Net operating losses	4,557	1,971
State taxes	375	643
Property and equipment	1,656	523
	21,563	13,407
Deferred tax liabilities:		
Goodwill and intangibles	(13,697)	(10,394)
	(13,697)	(10,394)
Net deferred tax asset	$ 7,866	$ 3,013

The Company had an income tax receivable of $530,000 as of May 31, 2008 and an income tax liability of $5,729,000 as of May 26, 2007.

The tax benefit associated with the exercise of nonqualified stock options and the disqualifying dispositions by employees of incentive stock options and shares issued under the Company's Employee Stock Purchase Plan reduced income taxes payable by $4,530,000 and $7,043,000 for the years ended May 31, 2008 and May 26, 2007, respectively.

Realization of the deferred tax assets is dependent upon generating sufficient future taxable income. Although realization is not assured for the deferred tax assets, management currently believes that it is more likely than not that they will be realized through future taxable earnings or alternative tax strategies.

Deferred income taxes have not been provided on the undistributed earnings of approximately $26,200,000 from the Company's foreign subsidiaries as of May 31, 2008 since these amounts are intended to be indefinitely reinvested in foreign operations. It is not practicable to calculate the deferred taxes associated with these earnings; however, foreign tax credits would likely be available to reduce federal income taxes in the event of distribution.

The Company has foreign net operating loss carryforwards of $16,000,000, of which $1,600,000 will begin to expire in 2013 and the remaining amount can be carried forward indefinitely.

The Company adopted the provisions of FIN 48, "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109" effective with the first quarter of fiscal 2008. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in an income tax return. As a result of the implementation of FIN 48, the Company increased its liability for unrecognized tax benefits by $656,000 with a corresponding decrease to retained earnings on May 27, 2007.

A reconciliation of the gross unrecognized tax benefit from May 27, 2007 to May 31, 2008 is as follows (in thousands):

Unrecognized tax benefits at May 27, 2007	$ 656
Gross increases-tax positions in prior period	37
Gross decreases-tax positions in prior periods	—
Gross increases-current period tax positions	83
Settlements	—
Lapse of statute of limitations	—
Unrecognized tax benefits at May 31, 2008	$ 776

As of May 31, 2008 and May 27, 2007, the Company's total liability for unrecognized gross tax benefits was $776,000 and $656,000 respectively, which, if ultimately recognized would impact the effective tax rate in future periods. All of the unrecognized tax benefit at May 27, 2007 was classified as long-term liability. As of May 31, 2008, the unrecognized tax benefit includes $556,000 classified as long-term liability and $220,000 classified as short-term liability. The $220,000 classified as short term liability at May 31, 2008 results from US federal and state positions that are in their last year of the statute of limitations. An estimate of the range of reasonably possible change cannot be made at this time.

The Company's major income tax jurisdiction is the U.S, with federal income taxes, subject to examination for fiscal 2005 and thereafter. For states within the U.S. in which the Company does significant business, the Company remains subject to examination for fiscal 2004 and thereafter. Major foreign jurisdictions in Europe remain open for fiscal years ended 2002 and thereafter.

The Company continues to recognize interest expense and penalties related to income tax as a part of its provision for income taxes. As of May 31, 2008, the Company has provided $101,000 of accrued interest and penalties as a component of the liability for unrecognized tax benefits.

7. Accrued Salaries and Related Obligations

Accrued salaries and related obligations consist of the following (in thousands):

	May 31, 2008	May 26, 2007
Accrued salaries and related obligations	$ 21,562	$ 24,937
Accrued bonuses	26,669	23,620
Accrued vacation	15,943	11,850
	$ 64,174	$ 60,407

8. Revolving Credit Agreement

The Company has a $3.0 million unsecured revolving credit facility with Bank of America (the "Credit Agreement"). The Credit Agreement allows the Company to choose the interest rate applicable to advances. The interest rate options are Bank of America's prime rate, a London Inter-Bank Offered ("LIBOR") rate plus 1.5% or Bank of America's Grand Cayman Banking Center ("IBOR") rate plus 1.5%. Interest, if any, is payable monthly. There is an annual facility fee of 0.25% payable on the unutilized portion of the Credit Agreement. The Credit Agreement expires December 1, 2009. As of May 31, 2008, the Company had approximately $2.4 million available under the terms of the Credit Agreement as Bank of America has issued approximately$600,000 of outstanding letters of credit in favor of third parties related to operating leases. The Company is in compliance with all covenants included in the Credit Agreement as of May 31, 2008.

9. Concentrations of Credit Risk

The Company maintains cash and cash equivalent balances, short-term investments and U.S. government agency securities with high credit quality financial institutions. At times, such balances are in excess of federally insured limits.

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of trade receivables. However, concentrations of credit risk are limited due to the large number of customers comprising the Company's customer base and their dispersion across different business and geographic areas. The Company monitors its exposure to credit losses and maintains an allowance for anticipated losses. A significant change in the liquidity or financial position of one or more of the Company's customers could result in an increase in the allowance for anticipated losses. To reduce credit risk, the Company performs credit checks on certain customers. No single customer accounted for more than 3%, 3% and 4% of revenue for the years ended May 31, 2008, May 26, 2007 and May 27, 2006, respectively.

10. Stockholders' Equity

In October 2002, the Company's board of directors approved a stock repurchase program, authorizing the repurchase of up to three million shares of our common stock on the open market. Upon the completion of the original program, the Company's board of directors approved a new stock repurchase program in July 2007, authorizing the repurchase of common stock on the open market for up to an aggregate amount of $150 million. During the years ended May 31, 2008 and May 26, 2007, the Company repurchased approximately 4.8 million and 2.1 million shares of common stock, respectively, on the open market for a total of approximately $102.1 million and $60.1 million, respectively. Such repurchased shares are held in treasury and are presented as if retired, using the cost method.

The Company has 70,000,000 authorized shares of common stock with a $0.01 par value. At May 31, 2008 and May 26, 2007, there were 44,654,000 and 47,777,000 shares outstanding of common stock, respectively, all of which are voting.

The Company has authorized for issuance 5,000,000 shares of preferred stock with a $0.01 par value. The board of directors has the authority to issue preferred stock in one or more series and to determine the related rights and preferences. No shares of preferred stock were outstanding as of May 31, 2008 and May 26, 2007.

On May 10, 2002, the Company's board of directors adopted a stockholder rights plan, pursuant to which a dividend of one preferred stock purchase right (the "rights") was declared for each share of common stock outstanding at the close of business on May 28, 2002. Common stock issued after the record date has the same rights associated. The rights are not exercisable until the Distribution Date, which, unless extended by the Board, is 10 days after a person or group acquires 15% of the voting power of the common stock of the Company or announces a tender offer that could result in a person or group owning 15% or more of the voting power of the common stock of the Company (such person or group, an "Acquiring Person"). Each right, should it become exercisable, will entitle the owner to buy 1/100th of a share of a new series of the Company's Junior Participating Preferred Stock at a purchase price of $120, subject to certain adjustments.

In the event a person or group becomes an Acquiring Person without the approval of the board of directors, each right will entitle the owner, other than the Acquiring Person, to buy at the right's then current exercise price, a number of shares of common stock with a market value equal to twice the exercise price of the rights. In addition, if after a person or group becomes an Acquiring Person, the Company was to be acquired by merger, stockholders with unexercised rights could purchase common stock of the acquiring company with a value of twice the exercise price of the rights. The board of directors may redeem the rights for $0.001 per right at any time prior to and including the tenth business day after the first public announcement that a person has become an Acquiring Person. Unless earlier redeemed, exchanged or extended by the board, the rights will expire on May 28, 2012.

11. Benefit Plan

The Company established a defined contribution 401(k) plan (“the plan”) on April 1, 1999, which covers all employees who have completed 90 days of service and are age 21 or older. Participants may contribute up to 50% of their annual salary up to the maximum amount allowed by statute. As defined in the plan agreement, the Company may make matching contributions in such amount, if any, up to a maximum of 6% of individual employees’ annual compensation. The Company, in its sole discretion, determines the matching contribution made from year to year. To receive matching contributions, the employee must be employed on the last day of the fiscal year. For the years ended May 31, 2008, May 26, 2007 and May 27, 2006, the Company contributed approximately $3.3 million, $2.7 million and $2.5 million, respectively, to the plan as Company matching contributions.

12. Supplemental Disclosure of Cash Flow Information

Additional information regarding cash flows is as follows (in thousands):

	Years Ended		
	May 31, 2008	May 26, 2007	May 27, 2006
Income taxes paid	$ 50,267	$ 34,829	$ 35,723
Non-cash investing and financing activities:			
Acquisition of Compliance Solutions (2008) and Nordic Spring (2007):			
Issuance of common stock	$ 2,152	$ 1,520	$ —
Issuance of restricted stock	$ —	$ —	$ 599

13. Commitments and Contingencies

Lease Commitments and Purchase Obligations

At May 31, 2008, the Company had operating leases, primarily for office premises, expiring at various dates through April, 2016. At May 31, 2008, the Company had no capital leases. Future minimum rental commitments under operating leases and other known purchase obligations are as follows (in thousands):

Years Ending:	Operating Leases	Purchase Obligations
May 30, 2009	$ 14,796	$ 2,417
May 29, 2010	12,677	435
May 28, 2011	9,845	—
May 26, 2012	5,992	—
May 31, 2013	4,111	—
Thereafter	6,006	—
Total	$ 53,427	$ 2,852

Rent expense for the years ended May 31, 2008, May 26, 2007 and May 27, 2006 totaled $15,014,000, $13,438,000 and $9,990,000, respectively. Rent expense is recognized on a straight-line basis over the term of the lease, including during any rent holiday periods.

The Company also leases approximately 15,500 square feet to independent third parties of the approximately 56,800 square foot corporate headquarters building located in Irvine, California. The Company has operating lease agreements with independent third parties expiring through May 2013. Rental income from such third party leases is $474,000, $469,000, $456,000, $230,000 and $144,000 in fiscal 2009, 2010, 2011, 2012 and 2013, respectively.

Employment Agreements

The Company entered into an employment agreement in fiscal 2004 with its former chief executive officer, now executive chairman, Donald Murray. This agreement is effective through 2009. It provides Mr. Murray with a specified severance amount depending on whether his separation from the Company is with or without good cause as defined in the agreement. Subsequent to May 31, 2008, the Company entered into an employment agreement, which extends through 2011, with Thomas Christopoul, its new president and chief executive officer. It provides Mr. Christopoul with a specified severance amount depending on whether his separation from the Company is with or without good cause as defined in the agreement. The Company also has employment agreements with certain key members of management, the respective terms of which extend through 2011. These agreements provide those employees with a specified severance amount depending on whether the employee is terminated with or without good cause as defined in the applicable agreement.

Legal Proceedings

Certain claims and lawsuits arising in the ordinary course of business have been filed or are pending against the Company. In the opinion of management, all such matters if disposed of unfavorably would not have a material adverse effect on the Company’s financial position, cash flows or results of operations.

14. Stock Based Compensation Plans

2004 Performance Incentive Plan

On October 15, 2004, the Company’s stockholders approved the Resources Connection, Inc. 2004 Performance Incentive Plan (the “Plan”). This Plan replaced the Company’s 1999 Long Term Incentive Plan (the “Prior Plan”). Under the terms of the Plan, the Company’s Board of Directors or one or more committees appointed by the Board of Directors will administer the Plan. The Board of Directors has delegated general administrative authority for the Plan to the Corporate Governance, Nominating and Compensation Committee of the Board of Directors.

The administrator of the Plan has broad authority under the Plan to, among other things, select participants and determine the type(s) of award(s) that they are to receive, and determine the number of shares that are to be subject to awards and the terms and conditions of awards, including the price (if any) to be paid for the shares or the award.

Persons eligible to receive awards under the Plan include officers or employees of the Company or any of its subsidiaries, directors of the Company, and certain consultants and advisors to the Company or any of its subsidiaries.

The maximum number of shares of the Company’s common stock that may be issued or transferred pursuant to awards under the Plan equals the sum of: (1) 5,500,000 shares (after giving effect to the Company’s two-for-one stock split in March 2005) and the amendment to the Plan approved by stockholders at the Company’s 2006 annual meeting of stockholders), plus (2) the number of shares available for award grant purposes under the Prior Plan as of October 15, 2004, plus (3) the number of any shares subject to stock options granted under the Prior Plan and outstanding as of October 15, 2004 which expire, or for any reason are cancelled or terminated, after that date without being exercised. As of May 31, 2008, 1,040,000 shares were available for award grant purposes under the Plan, subject to future increases as described in (3) above and subject to increase as then-outstanding awards expire or terminate without having become vested or exercised, as applicable. On June 2, 2008, in conjunction with the hiring of a new president and chief executive officer, the Company granted 150,000 stock options, thereby reducing the shares available for future award grants to 890,000 shares.

The types of awards that may be granted under the Plan include stock options, restricted stock, stock bonuses, performance stock, stock units, phantom stock and other forms of awards granted or denominated in the Company’s common stock or units of the Company’s common stock, as well as certain cash bonus awards. Under the terms of the Plan, the option price for the incentive stock options (“ISO”) and nonqualified stock options (“NQSO”) may not be less than the fair market value of the shares of the Company's stock on the date of the grant. For ISO, the exercise price per share may not be less than 110% of the fair market value of a share of common stock on the grant date for any individual possessing more than 10% of the total outstanding stock of the Company. Stock options granted under the Plan and the Prior Plan generally become exercisable over periods of one to four years and expire not more than ten years from the date of grant. The Company predominantly grants NQSO to employees in the United States. The Company did not grant shares of restricted stock during the fiscal years ended May 31, 2008 and May 26, 2007, respectively.

A summary of the option activity under the Plan and the Prior Plan follows (amounts in thousands except weighted average exercise price):

	Options Available for Grant	Number of Shares Under Option	Weighted Average Exercise Price
Options outstanding at May 28, 2005	3,122	8,623	$ 14.37
Granted, at fair market value	(2,056)	2,056	$ 26.95
Exercised	—	(1,365)	$ 11.32
Forfeited	441	(441)	$ 18.91
Options outstanding at May 27, 2006	1,507	8,873	$ 17.52
Granted, at fair market value	(2,052)	2,052	$ 30.89
Additional options available for grant	1,500	—	—
Exercised	—	(1,200)	$ 12.62
Forfeited	539	(539)	$ 22.11
Options outstanding at May 26, 2007	1,494	9,186	$ 20.88
Granted, at fair market value	(1,264)	1,264	$ 20.14
Exercised	—	(1,168)	$ 12.42
Forfeited	810	(810)	$ 26.33
Options outstanding at May 31, 2008	1,040	8,472	$ 21.41

The following table summarizes options outstanding as of May 31, 2008 and related weighted average exercise price and life information (number of options outstanding and intrinsic value in thousands):

	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Aggregate Intrinsic Value
Outstanding	8,472	$21.41	6.98	$27,978
Exercisable	4,967	$18.31	5.83	$24,836

The aggregate intrinsic value in the preceding table represents the total pre-tax intrinsic value, based on the Company's closing stock price of $21.01 as of May 30, 2008 (the last actual trading day of fiscal 2008), which would have been received by the option holders had all option holders exercised their options as of that date.

The total pre-tax intrinsic value related to stock options exercised during the years ended May 31, 2008 and May 26, 2007 was $18.3 million and $20.5 million, respectively. The total estimated fair value of stock options that vested during the years ended May 31, 2008 and May 26, 2007 was $23.2 million and $17.3 million, respectively.

Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plan ("ESPP"), allows qualified employees (as defined) to purchase designated shares of the Company's common stock at a price equal to 85% of the lesser of the fair market value of common stock at the beginning or end of each semi-annual stock purchase period. A total of 2,400,000 shares of common stock may be issued under the ESPP. The Company issued 405,000, 273,000 and 169,000 shares of common stock pursuant to the ESPP for the years ended May 31, 2008, May 26, 2007 and May 27, 2006, respectively. There are 907,000 shares of common stock available for issuance under the ESPP as of May 31, 2008.

Valuation and Expense Information under SFAS 123 (R)

Effective May 28, 2006, the Company adopted the fair value recognition provisions of SFAS 123 (R) using the modified prospective transition method; accordingly, prior periods have not been restated. Stock-based compensation expense recognized in the Company's Financial Statements for the year ended May 26, 2007 included compensation expense for stock options granted, restricted stock issued and employee stock purchases related to the ESPP prior to, but not yet vested as of, May 27, 2006.

The following table summarizes the impact of the adoption of SFAS 123 (R) (in thousands, except per share amounts):

	Year Ended May 31, 2008	Year Ended May 26, 2007
Income before income taxes	$ (22,386)	$ (20,107)
Net income	$ (17,726)	$ (16,695)
Net income per share:		
Basic	$ (0.38)	$ (0.35)
Diluted	$ (0.37)	$ (0.31)

The weighted average estimated fair value per share of employee stock options granted during the years ended May 31, 2008 and May 26, 2007 was $8.20 and $16.34 using the Black-Scholes model with the following assumptions:

	Year Ended May 31, 2008	Year Ended May 26, 2007
Expected volatility	39.9%	39.9% - 48.5%
Risk-free interest rate	2.61% - 4.92%	4.54% - 5.11%
Expected dividends	0.0%	0.0%
Expected life	5.23 years	5.23 years - 6.25 years

As of May 31, 2008, there was $37.6 million of total unrecognized compensation cost related to non-vested employee stock options granted. That cost is expected to be recognized over a weighted-average period of 31 months.

SFAS 123 (R) requires that excess tax benefits be recognized as an increase to additional paid-in capital and that tax shortfalls be recognized as income tax expense unless there are excess tax benefits from previous equity awards to which it can be offset. The Company calculated the amount of eligible excess tax benefits that are available on the adoption date to offset future tax shortfalls in accordance with the long-form method described in paragraph 81 of SFAS 123 (R).

SFAS 123 (R) requires that the Company recognize compensation expense for only the portion of stock options and restricted stock units that are expected to vest, rather than recording forfeitures when they occur, as previously permitted under SFAS 123. If the actual number of forfeitures differs from that estimated by management, additional adjustments to compensation expense may be required in future periods.

SFAS 123 (R) no longer requires the recognition of deferred compensation upon the grant of restricted stock. On May 28, 2006, deferred compensation related to awards issued prior to the adoption of SFAS 123 (R) was reduced to zero with a corresponding decrease in “Additional Paid-in Capital.” In addition, SFAS 123 (R) requires the Company to reflect, in its Statement of Cash Flows, the tax savings resulting from tax deductions in excess of expense recognized in its Statement of Income as a financing cash flow, which will impact the Company’s future reported cash flows from operating activities.

Pro Forma Information under SFAS 123 for Periods Prior to Fiscal 2007

The table below reflects pro forma net income and pro forma net income per share for the year ended May 27, 2006 as if the Company had recognized compensation cost at the date of grant using the fair value method (in thousands, except per share amounts):

	2006
Net income, as reported	$ 60,597
Stock-based employee compensation expense, net of related tax effects	72
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(12,115)
Pro forma net income	$ 48,554
Net income per share:	
Basic — as reported	$ 1.26
Basic — pro forma	$ 1.01
Diluted — as reported	$ 1.17
Diluted — pro forma	$ 0.97

For purposes of computing the pro forma amounts, the value of stock-based compensation was estimated using the Black-Scholes option-pricing model with the following assumptions:

	2006
Weighted-average expected life	5 to 6 1/4 years
Annual dividend per share	None
Risk-free interest rate	3.34% - 4.85%
Expected volatility	49.4% - 50%

15. Segment Information and Enterprise Reporting

No single customer accounted for more than 3%, 4% and 6% of revenue for the years ended May 31, 2008, May 26, 2007 and May 27, 2006, respectively.

In accordance with the requirements of SFAS No. 131, “Disclosures about Segments of an Enterprise and Related Information,” the Company discloses information regarding operations outside of the United States. The Company operates as one segment. The accounting policies for the domestic and international operations are the same as those described in Note 2-*Summary of Significant Accounting Policies* to the financial statements on this

Annual Report on Form 10-K. Summarized information regarding the Company's domestic and international operations is shown in the following table. Amounts are stated in thousands:

	Revenue for the Years Ended			Long-Lived Assets as of(1)	
	May 31, 2008	May 26, 2007	May 27, 2006	May 31, 2008	May 26, 2007
United States	$ 612,427	$ 561,912	$ 499,915	$ 113,598	$ 112,630
The Netherlands	84,601	68,720	62,923	35,384	3,020
Other	143,257	105,259	71,005	6,324	3,614
Total	$ 840,285	$ 735,891	$ 633,843	$ 155,306	$ 119,264

(1) Long-lived assets are comprised of goodwill, intangible assets, building and land, computers, equipment and software and furniture and leasehold improvements.

ITEM 9. ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.***

None.

ITEM 9A. ***CONTROLS AND PROCEDURES***

Evaluation of Disclosure Controls and Procedures

As required by SEC Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) as of May 31, 2008. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of May 31, 2008.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act. We maintain internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included an assessment of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of May 31, 2008.

The Company's independent registered public accounting firm has issued an attestation report on the Company's internal control over financial reporting, which appears on page 42.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting, during the fiscal quarter ended May 31, 2008, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. ***OTHER INFORMATION.***

None.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.*

Executive Officers and Directors

Our board of directors has adopted a code of business conduct and ethics that applies to our chief executive officer and other senior executives, including our chief financial officer, as required by the Securities and Exchange Commission. The full text of our code of business conduct and ethics can be found on the investor relations page of our website at www.resourcesglobal.com. We intend to satisfy the Securities and Exchange Commission disclosure requirements regarding an amendment to, or a waiver from, a provision of our code of ethics that applies to our chief executive officer and other senior executives, including our chief financial officer, or persons performing similar functions, by posting such information on the investor relations page of our website at www.resourcesglobal.com.

Reference is made to the information regarding directors appearing in Section II under the caption “ELECTION OF DIRECTORS,” and to the information in Section III under the captions “EXECUTIVE OFFICERS,” “SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE” and “DIRECTOR MEETINGS AND COMMITTEES — AUDIT COMMITTEE,” in each case in the Company’s proxy statement related to its 2008 Annual Meeting of Stockholders, which information is incorporated herein by reference.

ITEM 11. *EXECUTIVE COMPENSATION.*

The information appearing under the captions “EXECUTIVE COMPENSATION,” “CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION,” “CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION,” and “DIRECTOR COMPENSATION — FISCAL 2008,” in each case, in the Company’s proxy statement related to its 2008 Annual Meeting of Stockholders is incorporated herein by reference.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.*

The information appearing in Section III under the caption “SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT” in the proxy statement related to the Company’s 2008 Annual Meeting of Stockholders is incorporated herein by reference.

There are no arrangements, known to the Company, which might at a subsequent date result in a change in control of the Company.

The following table sets forth, for the Company’s compensation plans under which equity securities of the Company are authorized for issuance, the number of shares of the Company’s common stock subject to outstanding options, warrants, and rights, the weighted-average exercise price of outstanding options, warrants, and rights, and the number of shares remaining available for future award grants as of May 31, 2008.

	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	8,472,237	$ 21.41	1,946,977(1)
Equity compensation plans not approved by security holders(2)	20,920	$ 6.00	—

(1) Consists of 907,000 shares available for issuance under the Company’s Employee Stock Purchase Plan and 1,039,977 shares available for issuance under the Company’s 2004 Performance Incentive Plan. Shares available under the 2004 Performance Incentive Plan generally may be used for any type of award authorized

under that plan including stock options, restricted stock, stock bonuses, performance stock, stock units, phantom stock and other forms of awards granted or denominated in the Company's common stock.

(2) Consists of stock options granted to one of the Company's consultants. The options are fully vested, have an exercise price equal to $6.00, and have an ordinary term that expires on December 13, 2010. The ordinary term of the options may expire earlier in connection with a change in control of the Company, and the number of shares subject to and exercise price of the options are subject to customary adjustments to reflect corporate transactions such as stock splits, recapitalizations, mergers or similar unusual or extraordinary corporate transactions.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.***

The information appearing under in Section III under the captions "DIRECTOR MEETINGS AND COMMITTEES — DIRECTOR INDEPENDENCE" and "TRANSACTIONS WITH RELATED PERSONS" in the proxy statement related to the Company's 2008 Annual Meeting of Stockholders is incorporated herein by reference.

ITEM 14. ***PRINCIPAL ACCOUNTING FEES AND SERVICES.***

The information appearing under the caption "DIRECTOR MEETINGS AND COMMITTEES — FEES" in the proxy statement related to the Company's 2008 Annual Meeting of Stockholders is incorporated herein by reference.

PART IV

ITEM 15. ***EXHIBITS, FINANCIAL STATEMENT SCHEDULES.***

(a) 1. *Financial Statements*

The following consolidated financial statements of the Company and its subsidiaries are included in Item 8 of this report:

Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of May 31, 2008 and May 26, 2007
Consolidated Statements of Income for each of the three years in the period ended May 31, 2008
Consolidated Statements of Stockholders' Equity and Comprehensive Income for each of the three years in the period ended May 31, 2008
Consolidated Statements of Cash Flows for each of the three years in the period ended May 31, 2008
Notes to Consolidated Financial Statements

2. *Financial Statement Schedules*

Schedule II-Valuation and Qualifying Accounts is included in Note 2 to the Registrant's Notes to Consolidated Financial Statements.

Schedule I, III, IV and V have been omitted as they are not applicable.

3. *Exhibits.*

EXHIBITS TO FORM 10-K

Exhibit Number	Description of Document
3.1	Amended and Restated Certificate of Incorporation of Resources Connection, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended November 30, 2004).
3.2	Amended and Restated Bylaws, as amended (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended February 29, 2008).
4.2	Stockholders Agreement, dated December 11, 2000, between Resources Connection, Inc. and certain stockholders of Resources Connection, Inc. (incorporated by reference to Exhibit 4.2 to the Registrant’s Amendment No. 7 to the Registrant’s Registration Statement on Form S-1 filed on December 12, 2000 (File No. 333-45000)).
4.3	Specimen Stock Certificate (incorporated by reference to Exhibit 4.3 to the Registrant’s Amendment No. 7 to the Registrant’s Registration Statement on Form S-1 filed on December 12, 2000 (File No. 333-45000)).
4.4	Rights Agreement, dated as of May 10, 2002, between Resources Connection, Inc. and American Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 2 to the Registrant’s Registration Statement on Form 8-A filed on May 29, 2002.)
4.5	Certificate of Designations of Junior Participating Preferred Stock of Resources Connection, Inc., dated as of May 24, 2002 (incorporated by reference to Exhibit 3.1 to the Registrant’s Form 8-K filing of May 29, 2002).
10.1+	Resources Connection, Inc. 1998 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.1 to the Registrant’s Registration Statement on Form S-1 filed on September 1, 2000 (File No. 333-45000)).
10.2+	Resources Connection, Inc. 1999 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant’s Registration Statement on Form S-1 filed on September 1, 2000 (File No. 333-45000)).
10.3+	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Stephen J. Giusto (incorporated by reference to Exhibit 10.4 to the Registrant’s Registration Statement on Form S-1 filed on September 1, 2000 (File No. 333-45000
10.4+	Amended and Revised Employment Agreement, dated July 17, 2008, between Resources Connection, Inc. and Karen M. Ferguson (incorporated by reference to Exhibit 10.4 to the Registrant’s Form 8-K filing of July 21, 2008).
10.5+	Resources Connection, Inc. Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.11 to Amendment No. 2 to the Registrant’s Registration Statement on Form S-1 filed on November 13, 2000 (File No. 333-45000)).
10.6	Agreement of Lease, dated October 23, 2000, between 500-512 Seventh Avenue Limited Partnership and Resources Connection LLC (incorporated by reference to Exhibit 10.16 to the Registrant’s Registration Statement on Form S-1 filed on July 17, 2001 (File No. 333-65272)).
10.7	Lease, dated January 1, 2001, between One Town Center Associates and Resources Connection LLC (incorporated by reference to Exhibit 10.17 to the Registrant’s Registration Statement on Form S-1 filed on July 17, 2001 (File No. 333-65272)).
10.8	Loan Agreement, dated March 26, 2004 by and among Resources Connection, Inc., Resources Connection LLC and Bank of America, N.A. (incorporated by reference to Exhibit 10.18 to the Registrant’s Annual Report on Form 10-K for the year ended May 31, 2004).
10.9+	Amended and Restated Employment Agreement, dated June 1, 2008, between Resources Connection, Inc. and Donald B. Murray (incorporated by reference to Exhibit 10.2 to the Registrant’s Form 8-K filing of June 3, 2008).
10.10+	Resources Connection, Inc. 2004 Performance Incentive Plan (incorporated by reference to Exhibit 10.20 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended November 30, 2006).
10.11+	Resources Connection, Inc. 2004 Performance Incentive Plan Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.22 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended February 28, 2005).
10.12+	Resources Connection, Inc. 2004 Performance Incentive Plan Nonqualified Stock Option Agreement (Netherlands) (incorporated by reference to Exhibit 10.23 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended February 28, 2005).

Exhibit Number	Description of Document
10.13+	Resources Connection, Inc. 2004 Performance Incentive Plan Incentive Stock Option Agreement (incorporated by reference to Exhibit 10.24 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 28, 2005).
10.14	First Amendment to Lease, dated May 11, 2005, to Lease, dated January 1, 2001, between One Town Center Associates and RC Management Group, LLC. (incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-K for the year ended May 31, 2005).
10.15	Amendment No. 1 to Loan Agreement, dated October 25, 2004 by and among Resources Connection, Inc., Resources Connection LLC and Bank of America, N.A. (incorporated by reference to Exhibit 10.25 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 30, 2005).
10.16	Amendment No. 2 to Loan Agreement, dated December 9, 2005 by and among Resources Connection, Inc., Resources Connection LLC and Bank of America, N.A. (incorporated by reference to Exhibit 10.26 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 30, 2005).
10.17	Amendment No. 3 to Loan Agreement, dated November 28, 2007 by and among Resources Connection, Inc., Resources Connection LLC and Bank of America, N.A. (incorporated by reference to Exhibit 10.30 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 30, 2007)
10.18	Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (incorporated by reference to Exhibit 10.27 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 30, 2005).
10.19+	Text of offer letter, dated April 14, 2005 between Anthony Cherbak and Resources Global Professionals (incorporated by reference to Exhibit 99.2 to the Registrant's Form 8-K filing of July 15, 2005).
10.20+	Sample Restricted Stock Award Agreement (incorporated by reference to Exhibit 99.3 to the Registrant's Form 8-K filing of July 15, 2005).
10.21+	Text of offer letter, dated November 6, 2007 between Nathan W. Franke and Resources Global Professionals (incorporated by reference to Exhibit 99.2 to the Company's Form 8-K filed with the SEC on November 8, 2007)
10.22+	Employment Agreement, dated June 1, 2008, between Resources Connection, Inc. and Thomas D. Christopoul (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filing of June 3, 2008)
10.23	Employment Agreement, dated July 17, 2008, between Resources Connection, Inc. and Kate W. Duchene (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filing of July 21, 2008)
10.24	Employment Agreement, dated July 17, 2008, between Resources Connection, Inc. and Nathan W. Franke (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filing of July 21, 2008)
10.25	Employment Agreement, dated July 17, 2008, between Resources Connection, Inc. and Anthony Cherbak (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filing of July 21, 2008
10.26	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.*
21.1	List of Subsidiaries.*
23.1	Consent of Independent Registered Public Accounting Firm.*
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.*
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.*
32.1	Rule 1350 Certification of Chief Executive Officer.*
32.2	Rule 1350 Certification of Chief Financial Officer.*

* Filed herewith

\+ Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

RESOURCES CONNECTION, INC.

By: /s/ NATHAN W. FRANKE
Nathan W. Franke
Chief Financial Officer

Date: July 30, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ THOMAS CHRISTOPOUL **Thomas Christopoul**	Chief Executive Officer, President and Director (Principal Executive Officer)	July 30, 2008
/s/ NATHAN W. FRANKE **Nathan W. Franke**	Chief Financial Officer and Executive Vice President (Principal Financial Officer and Principal Accounting Officer)	July 30, 2008
/s/ DONALD B. MURRAY **Donald B. Murray**	Executive Chairman and Director	July 30, 2008
/s/ KAREN M. FERGUSON **Karen M. Ferguson**	Executive Vice President and Director	July 30, 2008
/s/ NEIL DIMICK **Neil Dimick**	Director	July 30, 2008
/s/ ROBERT KISTINGER **Robert Kistinger**	Director	July 30, 2008
/s/ A. ROBERT PISANO **A. Robert Pisano**	Director	July 30, 2008
/s/ ANNE SHIH **Anne Shih**	Director	July 30, 2008
/s/ JOLENE SYKES SARKIS **Jolene Sykes Sarkis**	Director	July 30, 2008

Table of Contents

EXHIBIT INDEX

EXHIBITS TO FORM 10-K

Exhibit Number	Description of Document
3.1	Amended and Restated Certificate of Incorporation of Resources Connection, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended November 30, 2004).
3.2	Amended and Restated Bylaws, as amended (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended February 29, 2008).
4.2	Stockholders Agreement, dated December 11, 2000, between Resources Connection, Inc. and certain stockholders of Resources Connection, Inc. (incorporated by reference to Exhibit 4.2 to the Registrant’s Amendment No. 7 to the Registrant’s Registration Statement on Form S-1 filed on December 12, 2000 (File No. 333-45000)).
4.3	Specimen Stock Certificate (incorporated by reference to Exhibit 4.3 to the Registrant’s Amendment No. 7 to the Registrant’s Registration Statement on Form S-1 filed on December 12, 2000 (File No. 333-45000)).
4.4	Rights Agreement, dated as of May 10, 2002, between Resources Connection, Inc. and American Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 2 to the Registrant’s Registration Statement on Form 8-A filed on May 29, 2002.)
4.5	Certificate of Designations of Junior Participating Preferred Stock of Resources Connection, Inc., dated as of May 24, 2002 (incorporated by reference to Exhibit 3.1 to the Registrant’s Form 8-K filing of May 29, 2002).
10.1+	Resources Connection, Inc. 1998 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.1 to the Registrant’s Registration Statement on Form S-1 filed on September 1, 2000 (File No. 333-45000)).
10.2+	Resources Connection, Inc. 1999 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant’s Registration Statement on Form S-1 filed on September 1, 2000 (File No. 333-45000)).
10.3+	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Stephen J. Giusto (incorporated by reference to Exhibit 10.4 to the Registrant’s Registration Statement on Form S-1 filed on September 1, 2000 (File No. 333-45000
10.4+	Amended and Revised Employment Agreement, dated July 17, 2008, between Resources Connection, Inc. and Karen M. Ferguson (incorporated by reference to Exhibit 10.4 to the Registrant’s Form 8-K filing of July 21, 2008).
10.5+	Resources Connection, Inc. Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.11 to Amendment No. 2 to the Registrant’s Registration Statement on Form S-1 filed on November 13, 2000 (File No. 333-45000)).
10.6	Agreement of Lease, dated October 23, 2000, between 500-512 Seventh Avenue Limited Partnership and Resources Connection LLC (incorporated by reference to Exhibit 10.16 to the Registrant’s Registration Statement on Form S-1 filed on July 17, 2001 (File No. 333-65272)).
10.7	Lease, dated January 1, 2001, between One Town Center Associates and Resources Connection LLC (incorporated by reference to Exhibit 10.17 to the Registrant’s Registration Statement on Form S-1 filed on July 17, 2001 (File No. 333-65272)).
10.8	Loan Agreement, dated March 26, 2004 by and among Resources Connection, Inc., Resources Connection LLC and Bank of America, N.A. (incorporated by reference to Exhibit 10.18 to the Registrant’s Annual Report on Form 10-K for the year ended May 31, 2004).
10.9+	Amended and Restated Employment Agreement, dated June 1, 2008, between Resources Connection, Inc. and Donald B. Murray (incorporated by reference to Exhibit 10.2 to the Registrant’s Form 8-K filing of June 3, 2008).
10.10+	Resources Connection, Inc. 2004 Performance Incentive Plan (incorporated by reference to Exhibit 10.20 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended November 30, 2006).
10.11+	Resources Connection, Inc. 2004 Performance Incentive Plan Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.22 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended February 28, 2005).
10.12+	Resources Connection, Inc. 2004 Performance Incentive Plan Nonqualified Stock Option Agreement (Netherlands) (incorporated by reference to Exhibit 10.23 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended February 28, 2005).

Exhibit Number	Description of Document
10.13+	Resources Connection, Inc. 2004 Performance Incentive Plan Incentive Stock Option Agreement (incorporated by reference to Exhibit 10.24 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 28, 2005).
10.14	First Amendment to Lease, dated May 11, 2005, to Lease, dated January 1, 2001, between One Town Center Associates and RC Management Group, LLC. (incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-K for the year ended May 31, 2005).
10.15	Amendment No. 1 to Loan Agreement, dated October 25, 2004 by and among Resources Connection, Inc., Resources Connection LLC and Bank of America, N.A. (incorporated by reference to Exhibit 10.25 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 30, 2005).
10.16	Amendment No. 2 to Loan Agreement, dated December 9, 2005 by and among Resources Connection, Inc., Resources Connection LLC and Bank of America, N.A. (incorporated by reference to Exhibit 10.26 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 30, 2005).
10.17	Amendment No. 3 to Loan Agreement, dated November 28, 2007 by and among Resources Connection, Inc., Resources Connection LLC and Bank of America, N.A. (incorporated by reference to Exhibit 10.30 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 30, 2007)
10.18	Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (incorporated by reference to Exhibit 10.27 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 30, 2005).
10.19+	Text of offer letter, dated April 14, 2005 between Anthony Cherbak and Resources Global Professionals (incorporated by reference to Exhibit 99.2 to the Registrant's Form 8-K filing of July 15, 2005).
10.20+	Sample Restricted Stock Award Agreement (incorporated by reference to Exhibit 99.3 to the Registrant's Form 8-K filing of July 15, 2005).
10.21+	Text of offer letter, dated November 6, 2007 between Nathan W. Franke and Resources Global Professionals (incorporated by reference to Exhibit 99.2 to the Company's Form 8-K filed with the SEC on November 8, 2007)
10.22+	Employment Agreement, dated June 1, 2008, between Resources Connection, Inc. and Thomas D. Christopoul (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filing of June 3, 2008)
10.23	Employment Agreement, dated July 17, 2008, between Resources Connection, Inc. and Kate W. Duchene (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filing of July 21, 2008)
10.24	Employment Agreement, dated July 17, 2008, between Resources Connection, Inc. and Nathan W. Franke (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filing of July 21, 2008)
10.25	Employment Agreement, dated July 17, 2008, between Resources Connection, Inc. and Anthony Cherbak (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filing of July 21, 2008
10.26	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.*
21.1	List of Subsidiaries.*
23.1	Consent of Independent Registered Public Accounting Firm.*
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.*
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.*
32.1	Rule 1350 Certification of Chief Executive Officer.*
32.2	Rule 1350 Certification of Chief Financial Officer.*

* Filed herewith

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this “Agreement”) is made and entered into effective as of ___, 200_, by and between Resources Connection, Inc., a Delaware corporation (the “Company”), and ___(the “Indemnitee”), a director and/or officer of the Company.

BACKGROUND

A. The Indemnitee has been selected to serve or is currently serving as a director and/or officer of the Company and in such capacity is expected to render or has rendered valuable services to the Company.

B. The Company has investigated the availability and sufficiency of liability insurance and Delaware statutory indemnification provisions to provide its directors and officers with adequate protection against various legal risks and potential liabilities to which directors and officers are subject due to their position with the Company and has concluded that insurance and statutory provisions may provide inadequate and unacceptable protection to certain individuals requested to serve as its directors and officers.

C. In recognition of past services and in order to induce and encourage highly experienced and capable persons such as the Indemnitee to serve as directors and officers of the Company, the Board of Directors has determined, after due consideration and investigation of the terms and provisions of this Agreement and the various other options available to the Company and the Indemnitee in lieu of this Agreement, that this Agreement is not only reasonable and prudent, but necessary to promote and ensure the best interests of the Company and its stockholders.

AGREEMENT

In consideration of the services and continued services of the Indemnitee and in order to induce the Indemnitee to serve or to continue to serve as a director and/or officer of the Company, the Company and the Indemnitee agree as follows:

1. Indemnity of the Indemnitee. The Company hereby agrees to hold harmless and indemnify the Indemnitee to the full extent authorized or permitted by the provisions of Section 145 of the Delaware General Corporation Law, as such may be amended from time to time, and Article XI of the Bylaws of the Company, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Other Than Proceedings by or in the Right of the Company**.** The Indemnitee shall be entitled to the rights of indemnification provided in this Section l(a) if, by reason of the Indemnitee’s Corporate Status (as hereinafter defined), the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), the Indemnitee shall be indemnified against all Expenses (as hereinafter defined), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company**.** The Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of the Indemnitee's Corporate Status, the Indemnity is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, that, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which the Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that a court of competent jurisdiction shall finally determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee is, by reason of the Indemnitee's Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, the Indemnitee shall be indemnified to the maximum extent permitted by law against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in connection therewith. If the Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify the Indemnitee against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1, the Company shall and hereby does indemnify and hold harmless the Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf if, by reason of the Indemnitee's Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of the Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to the Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 7, 8 and 9 hereof) to be unlawful under Delaware law.

3. Partial Indemnity. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of, but not the total amount of, the Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee in the investigation, defense, appeal or settlement of any Proceeding, the Company shall nevertheless indemnify the Indemnitee for the portion of the Expenses, judgments, penalties, fines and amounts paid in settlement to which the Indemnitee is entitled.

4. Contribution in the Event of Joint Liability.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed Proceeding in which the Company is jointly liable with the Indemnitee (or would be if joined in such Proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such Proceeding without requiring the Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against the Indemnitee. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with the Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against the Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, the Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed Proceeding in which the Company is jointly liable with the Indemnitee (or would be if joined in such Proceeding), the Company shall contribute to the amount of Expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company other than the Indemnitee who are jointly liable with the Indemnitee (or would be if joined in such Proceeding), on the one hand, and the Indemnitee, on the other hand, from the transaction from which such Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than the Indemnitee who are jointly liable with the Indemnitee (or would be if joined in such Proceeding), on the one hand, and the Indemnitee, on the other hand, in connection with the events that resulted in such Expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which the law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company other than the Indemnitee who are jointly liable with the Indemnitee (or would be if joined in such Proceeding), on the one hand, and the Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary, and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold the Indemnitee harmless from any claims of contribution that may be brought by officers, directors or employees of the Company other than the Indemnitee who may be jointly liable with the Indemnitee.

5. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee is, by reason of the Indemnitee's

Corporate Status, a witness in any Proceeding to which the Indemnitee is not a party, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in connection therewith.

6. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred or reasonably anticipated to be incurred by or on behalf of the Indemnitee in connection with any Proceeding by reason of the Indemnitee's Corporate Status within ten (10) days after the receipt by the Company of a statement or statements from the Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred or reasonably anticipated to be incurred by the Indemnitee and shall include or be preceded or accompanied by an undertaking by or on behalf of the Indemnitee to repay any Expenses advanced if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 6 shall be unsecured and interest free. Notwithstanding the foregoing, the obligation of the Company to advance Expenses pursuant to this Section 6 shall be subject to the condition that, if, when and to the extent that the Company determines that the Indemnitee would not be permitted to be indemnified under applicable law, the Company shall be entitled to be reimbursed, within thirty (30) days of such determination, by the Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if the Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that the Indemnitee should be indemnified under applicable law, any determination made by the Company that the Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and the Indemnitee shall not be required to reimburse the Company for any advance of Expenses until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed).

7. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for the Indemnitee rights of indemnity that are as favorable as may be permitted under the law and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether the Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification (including, but not limited to, the advancement of Expenses and contribution by the Company) under this Agreement, the Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that the Indemnitee has requested indemnification.

(b) Upon written request by the Indemnitee for indemnification pursuant to the first sentence of Section 7(a) hereof, a determination, if required by applicable law, with respect to the Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods: (i) by a majority vote of the Disinterested Directors, even though less than a quorum, or (ii) by a committee of such Disinterested Directors designated by majority vote of such Disinterested Directors, even though less than a quorum, or (iii) if there are no such Disinterested Directors, or if such Disinterested Directors so direct, by Independent Counsel in a written opinion, or (iv) in the absence of Disinterested Directors and at the election of the Indemnitee, by the stockholders.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 7(b) hereof, the Independent Counsel shall be selected as provided in this Section 7(c). Within 20 days of receiving a written request for Indemnification, the Company shall submit a list of three candidates from which the Indemnitee shall have 10 days to select one or to request a second list of three names, which the Company shall provide within 20 days of notification. If, within 60 days after submission by the Indemnitee of a written request for indemnification pursuant to Section 7(a) hereof, no Independent Counsel shall have been selected, either the Company or the Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, the person so appointed shall act as Independent Counsel under Section 7(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 7(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 7(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that the Indemnitee is entitled to indemnification under this Agreement if the Indemnitee has submitted a request for indemnification in accordance with Section 7(a) of this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence.

(e) The Indemnitee shall be deemed to have acted in good faith if the Indemnitee's action is based on the records or books of account of the Enterprise (as hereinafter defined), including financial statements, or on information supplied to the Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to the Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 7(e) are satisfied, it shall in any event be presumed that the Indemnitee has at all times acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under this Section 7 to determine whether the Indemnitee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and the Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by the Indemnitee of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 30 day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 7(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 7(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board of Directors or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) The Indemnitee shall cooperate with the person, persons or entity making such determination with respect to the Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board of Directors, or stockholder of the Company shall act reasonably and in good faith in making a determination under this Agreement of the Indemnitee's entitlement to indemnification. Any costs or expenses (including attorneys' fees and disbursements) incurred by the Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to the Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold the Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any Proceeding to which the Indemnitee is a party is resolved in any manner other than by adverse judgment against the Indemnitee (including, without limitation, settlement of such Proceeding with or without payment of money or other consideration) it shall be presumed that the Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence.

8. Change in Control. If there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Continuing Directors) then with respect to all matters thereafter arising concerning the rights of the Indemnitee to indemnity payments and Expense advances or contribution amounts under this Agreement or any other agreement, the Company's Certificate of Incorporation, the Company's Bylaws or other applicable law in effect relating to claims for indemnifiable events, the provisions of clauses (i), (ii) and (iv) of Section 7(b) shall no longer be applicable and following such Change in Control, the Company shall seek legal advice only from Independent Counsel. The Independent Counsel, among other things, shall render its written opinion to the Company and the Indemnitee as to whether and to what extent the Indemnitee would be entitled to be indemnified under this Agreement or applicable law. The Company shall pay the reasonable fees of the Independent Counsel referred to above and may fully indemnify the Independent Counsel against any and all expenses (including attorneys' fees and disbursements), claims, liabilities and damages arising out of or relating to this Agreement.

9. Remedies of the Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 7 of this Agreement that the Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 6 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 7(b) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within thirty (30) days after receipt by the Company of a written request therefor, or (v) payment of indemnification is not made within thirty (30) days after a determination has been made that the Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 7 of this Agreement, the Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of the Indemnitee's entitlement to such indemnification. The Indemnitee shall commence such proceeding seeking an adjudication within one year following the date on which the Indemnitee first has the right to commence such proceeding pursuant to this Section 9(a). The Company shall not oppose the Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 7(b) of this Agreement that the Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 9 shall be conducted in all respects as a de novo trial, on the merits and the Indemnitee shall not be prejudiced by reason of the adverse determination under Section 7(b).

(c) If a determination shall have been made pursuant to Section 7(b) of this Agreement that the Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 9, absent a prohibition of such indemnification under applicable law.

(d) In the event that the Indemnitee, pursuant to this Section 9, seeks a judicial adjudication of the Indemnitee's rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on the Indemnitee's behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 16 of this Agreement) actually and reasonably incurred by the Indemnitee in such judicial adjudication, regardless of whether the Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 9 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement.

10. Insurance.

(a) The Company covenants and agrees that, as long as the Indemnitee shall continue to serve as a director or officer of the Company and thereafter so long as the Indemnitee shall be subject to any possible Proceeding, the Company, subject to Section 10(c) of this Agreement, shall promptly obtain and maintain in full force and effect directors' and officers' liability insurance ("**D&O Insurance**") in reasonable amounts from established and reputable insurers.

(b) In all D&O Insurance policies, the Indemnitee shall be named as an insured in a manner that provides the Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors and officers.

(c) Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain D&O Insurance if the Company determines in good faith that insurance is not reasonably available, the premium costs for insurance are disproportionate to the amount of coverage provided, the coverage provided by insurance is so limited by exclusions that it provides an insufficient benefit, or the Indemnitee is covered by similar insurance maintained by a subsidiary of the Company.

11. Non-Exclusivity; Survival of Rights; Subrogation.

(a) The rights of indemnification and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may at any time be entitled under applicable law, the certificate of incorporation of the Company, the Bylaws of the Company, any agreement, a vote of stockholders or Disinterested Directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of the Indemnitee under this Agreement in respect of any action taken or omitted by such the Indemnitee in the Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Section 145 of the Delaware General Corporation Law, as amended, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Bylaws of the Company or this Agreement, it is the intent of the parties hereto that the Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(c) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

12. Exception to Right of Indemnification. Notwithstanding any other provision of this Agreement, the Indemnitee shall not be entitled to indemnification under this Agreement with respect to any Proceeding brought by the Indemnitee, or any claim therein, unless (a) the bringing of such Proceeding or making of such claim shall have been approved by the Board of Directors of the Company or (b) such Proceeding is being brought by the Indemnitee to assert, interpret or enforce the Indemnitee's rights under this Agreement, the Delaware General Corporation Law, as amended, or the Bylaws of the Company.

13. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period the Indemnitee is an officer or director of the Company (or is or was serving at the request of the Company as a director, officer, employee and/or agent of another Enterprise) and shall continue thereafter so long as the Indemnitee shall be subject to any Proceeding (or any proceeding commenced under Section 9 hereof) by reason of the Indemnitee's Corporate Status, whether or not the Indemnitee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives. This Agreement shall continue in effect regardless of whether the Indemnitee continues to serve as an officer or director of the Company or any other Enterprise at the Company's request.

14. Security. To the extent requested by the Indemnitee and approved by the Board of Directors of the Company, the Company may at any time and from time to time provide security to the Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to the Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

15. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce the Indemnitee to serve as an officer and/or director of the Company, and the Company acknowledges that the Indemnitee is relying upon this Agreement in serving as an officer or director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

16. Definitions. For purposes of this Agreement:

(a) A **"Change of Control"** shall be deemed to have occurred if (i) any "person" (as that term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of shares of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the total voting power represented by the Company's then outstanding voting securities, or (ii) during any period of two consecutive years, individuals ("**Continuing Directors**") who at the beginning of the two year period constitute the Board of Directors of the Company or whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Directors, or (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such a merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the total voting power represented by the voting securities of the Company or the surviving entity outstanding immediately after the merger or consolidation, or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company (in one transaction or a series of transactions) of all or substantially all the Company's assets.

(b) "Corporate Status" describes the status of a person who is or was a director, officer, employee and/or agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the express written request of the Company.

(c) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by the Indemnitee.

(d) "Enterprise" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise of which the Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

(e) "Expenses" shall include all reasonable attorneys' fees, paralegal fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding.

(f) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or its affiliates or the Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(g) "Proceeding" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which the Indemnitee was, is or will be involved as a party or otherwise, by reason of the fact that the Indemnitee is or was an officer or director of the Company, by reason of any action taken by the Indemnitee or of any inaction on the Indemnitee's part while acting as an officer or director of the Company, or by reason of the fact that the Indemnitee is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other Enterprise, in each case whether or not the Indemnitee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement.

17. Severability. If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, illegal or otherwise unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

18. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

19. Notice by Indemnitee. The Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

20. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to the Indemnitee, to the address set forth below the Indemnitee's signature hereto.

(b) If to the Company, to:

Resources Connection, Inc.
17101 Armstrong Avenue
Irvine, CA 92614
Attention: Kate W. Duchene, Chief Legal Officer
With a copy to: David Krinsky, Esq.
O'Melveny & Myers
610 Newport Center Drive — 17th Floor
Newport Beach, CA 92660

or to such other address as may have been furnished to the Indemnitee by the Company or to the Company by the Indemnitee, as the case may be.

21. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

22. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

23. Governing Law. The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware without application of the conflict of laws principles thereof.

24. Gender. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

COMPANY:

Resources Connection, Inc.,
a Delaware corporation

By: ______________________________
Name: Kate W. Duchene
Title: Chief Legal Officer

INDEMNITEE:

____

LIST OF SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Organization
Resources Connection LLC Names under which Resources Connection LLC does business: Resources Global Professionals Resources Connection LLC Re:sources Connection LLC RCTC LLC RCTC Resources Connection LLC of Delaware Resources Connection LLC DBA RCTC Resources Connection LLC, a limited liability company of Delaware	Delaware
RC Management Group, LLC	Delaware
RCG, LP	Texas
RECN of Texas, LP Names under which RECN of Texas LP does business: Resources Global Professionals LP	Texas
Resources Audit Solutions, LLC	Delaware
RC Holdings I, LLC	Delaware
RC Holdings II, LLC	Delaware
RGP Property LLC	Delaware
Resources Connection Australia Pty Ltd. Names under which Resources Connection Australia Pty Ltd. does business: Resources Global Professionals	Australia
Resources Global Professionals (Belgium) NV	Belgium
Resources Global Professionals, Inc. (Canada)	Canada
Resources Global Enterprise Consulting (Beijing) Co., Ltd.	People’s Republic of China
Resources Global Enterprise Consulting (Beijing) Co., Ltd. Shanghai Branch Company	People’s Republic of China
Resources Global Professionals (HK) Limited	Hong Kong, People’s Republic of China
Resources Global Professionals (Denmark) AS	Denmark
Resources Global Professionals (France) SAS	France
Resources Global Professionals (India) Private Ltd.	India
Resources Global Professionals (Ireland)	Ireland
Resources Global Professionals (Italy) SRL	Italy

Name of Subsidiary	Jurisdiction of Organization
Resources Global Professionals Japan K.K.	Japan
Resources Global Professionals (Luxembourg) SA	Luxembourg
Resources Management Mexico S de RL de CV	Mexico
Resources Connection Mexico S de RL de CV	Mexico
Resources Global Professionals (Europe) BV	Netherlands
Resources Global Professionals Holdings BV	Netherlands
Resources Management & Finance b.v.	Netherlands
Resources Projects b.v.	Netherlands
Resources Global Professionals (Norway) AS	Norway
Resources Global Professionals (Singapore) Pte. Ltd.	Singapore
Resources Global Professionals Sweden AB	Sweden
Resources Connection Taiwan Ltd.	Taiwan
Resources Connection (UK) Ltd.	United Kingdom (England and Wales)
Names under which Resources Connection (UK) Ltd. does business:	
Resources Global Professionals (UK)	
Domenica Holding B.V.	Netherlands
Compliance.co.uk Ltd	United Kingdom
Resources Compliance (UK) Ltd	United Kingdom
CS Compliance Solutions Ltd	United Kingdom
Grainger Consulting Ltd	United Kingdom
Compliance Consultants Services Ltd	United Kingdom
Financial Services Training Ltd	United Kingdom
Easycompliance.co.uk Ltd	United Kingdom
Pecunium Ltd	United Kingdom
IFA Compliance Ltd	United Kingdom

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-142145, No. 333-127579, No. 333-54880 and No. 333-52730) of Resources Connection, Inc. of our report dated July 30, 2008 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K. We also consent to the reference to us under the heading "Selected Financial Data" in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Orange County, California
July 30, 2008

Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Thomas D. Christopoul, certify that:

1. I have reviewed this annual report on Form 10-K of Resources Connection, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2008

/s/ THOMAS D. CHRISTOPOUL

Thomas D. Christopoul
President and Chief Executive Officer

EXHIBIT 31.2

Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Nathan W. Franke, certify that:

1. I have reviewed this annual report on Form 10-K of Resources Connection, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2008

/s/ NATHAN W. FRANKE

Nathan W. Franke
Chief Financial Officer and Executive Vice President

CERTIFICATION PURSUANT TO 18 U.S.C. 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the fiscal year ended May 31, 2008 of Resources Connection, Inc. (the “Form 10-K”), I, Thomas D. Christopoul, Chief Executive Officer of Resources Connection, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-K fully complies with the requirements of section 13(a) and 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Resources Connection, Inc.

July 30, 2008

/s/ THOMAS D. CHRISTOPOUL

Thomas D. Christopoul
President and Chief Executive Officer

The foregoing certification is being furnished to the Securities and Exchange Commission pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

CERTIFICATION PURSUANT TO 18 U.S.C. 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the fiscal year ended May 31, 2008 of Resources Connection, Inc. (the “Form 10-K”), I, Nathan W. Franke, Chief Financial Officer of Resources Connection, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-K fully complies with the requirements of section 13(a) and 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Resources Connection, Inc.

July 30, 2008

/s/ NATHAN W. FRANKE

Nathan W. Franke
Chief Financial Officer and
Executive Vice President

The foregoing certification is being furnished to the Securities and Exchange Commission pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.