

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 OR 15(d) of**  
**The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)

October 1, 2013

RESOURCES CONNECTION, INC.

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Delaware (State or other jurisdiction of incorporation)	0-32113 (Commission File Number)	33-0832424 (IRS Employer Identification No.)
17101 Armstrong Avenue, Irvine, California (Address of principal executive offices)		92614 (Zip Code)
Registrant's telephone number, including area code		(714) 430-6400

Not applicable  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 2.02 Results of Operations and Financial Condition.

On October 1, 2013, Resources Connection, Inc. (“Resources” or “the Company”) issued a press release announcing its financial results for the quarterly period ended August 24, 2013. A copy of the press release is attached hereto as Exhibit 99.1.

Within the attached press release, the Company makes reference to certain non-generally accepted accounting principles (“non-GAAP”) financial measures, including consolidated EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin. The Company believes that these non-GAAP measures are useful to our investors because they are financial measures used by management to assess the performance of our Company. Accordingly, where these non-GAAP measures are provided, it is done so that investors have the same financial data that management uses with the belief that such information will assist the investment community in assessing the underlying performance of the Company on a year-over-year and sequential basis. Whenever such information is presented, the Company has complied with the provisions of the rules under Regulation G and Item 2.02 of Form 8-K. In addition to the reasons described above, specific reasons the Company’s management believes that the presentation of certain non-GAAP financial measures provides useful information to investors regarding the Company’s financial condition, results of operations and cash flows are as follows:

The non-GAAP measures presented in the attached press release are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. The Company believes that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company’s results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate the Company’s results of operations in conjunction with the corresponding GAAP measures.

For its internal budgeting process, the Company’s management uses financial statements that include consolidated EBITDA, Adjusted EBITDA and EBITDA Margin. The Company’s management also uses the foregoing non-GAAP measures, in addition to other GAAP measures, in reviewing the financial results of the Company.

The information in Item 2.02 of this current report on Form 8-K, as well as Exhibit 99.1 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

## Item 9.01 Financial Statements and Exhibits.

### (c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Press Release issued October 1, 2013

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RESOURCES CONNECTION, INC.

Date: October 1, 2013

By: /s/ ANTHONY CHERBAK  
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Anthony Cherbak  
President and Chief Executive Officer

## EXHIBIT INDEX

**Exhibit No.**

**Description**

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Exhibit 99.1

Press Release issued October 1, 2013

## Resources Connection, Inc. Reports First Quarter Results for Fiscal 2014

- **Company reports first quarter earnings per share of \$0.09 on revenue of \$131.7 million**
- **Company returns \$7.0 million in capital to shareholders in dividends and stock buy-backs during first quarter**
- **Company's Adjusted EBITDA\* Margin for the first quarter is 7.4%**

**\*Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation, amortization, stock-based compensation and contingent consideration adjustments**

IRVINE, Calif.--(BUSINESS WIRE)--October 1, 2013--Resources Connection, Inc. (NASDAQ: RECN), today announced financial results for its fiscal first quarter ended August 24, 2013. Resources Connection, Inc. is a multinational professional services firm that provides to clients – through its operating subsidiary, Resources Global Professionals (“RGP”) – consulting services in the areas of accounting, finance, risk management and internal audit, corporate advisory, strategic communications and restructuring, information management, human capital, supply chain management, healthcare solutions, and legal and regulatory services.

Revenue for the first quarter of fiscal 2014 was \$131.7 million, decreasing 3.8% (3.7% on a constant dollar basis) compared to the prior year's first quarter and 6.1% (6.0% on a constant dollar basis) sequentially. Revenue in the U.S. decreased 2.5% quarter-over-quarter and 5.6% sequentially. International revenue was down 8.1% quarter-over-quarter and 7.5% sequentially (7.5% quarter-over-quarter and 7.2% sequentially on a constant dollar basis).

The Company's net income for the first quarter of fiscal 2014 was \$3.7 million, or \$0.09 per diluted share. The Company's net income for the first quarter of fiscal 2013 was \$4.8 million, or \$0.12 per diluted share.

“Our first quarter was challenging due to cautious spending by our clients,” said Tony Cherbak, president and chief executive officer of RGP. “However, we are encouraged to see Q-2 start positively with post Labor Day average weekly revenue over \$11 million as some of our clients start larger scale initiatives.”

Gross margin was 37.7% in the first quarter of fiscal 2014, decreasing 130 basis points quarter-over-quarter and 120 basis points sequentially. The decline in gross margin quarter-over-quarter was primarily attributable to increased healthcare costs and a decline in the bill rate/pay rate ratio. The first quarter gross margin sequential decline was attributable to similar trends in healthcare costs and the bill rate/pay rate ratio and to paid holidays in the US in the first quarter of fiscal 2014 (there were no paid holidays in the fourth quarter of fiscal 2013).

Selling, general and administrative expenses for the first quarter of fiscal 2014 were \$41.6 million, a decrease of \$700,000 sequentially and \$500,000 from the comparable quarter a year ago.

Cash flow from operations and Adjusted EBITDA were \$5.3 million and \$9.8 million (7.4% of revenue), respectively, for the first quarter of fiscal 2014 compared to \$3.7 million and \$13.1 million (9.6% of revenue), respectively, for the first quarter of fiscal 2013.

“We were pleased this quarter to enhance our dividend program,” said Don Murray, executive chairman of RGP. “We increased our quarterly dividend payment by 17% to \$0.07 per share; combined with our stock buy-back program, we returned over \$7 million to shareholders.”

During the first quarter of fiscal 2014, the Company repurchased 312,000 shares of common stock for \$4.2 million. The Company has approximately \$68.4 million remaining under its board authorized stock buyback program. On September 19, 2013, the Company paid its quarterly dividend of \$2.8 million to shareholders, representing a dividend of \$0.07 per share. As of August 24, 2013, the Company's cash, cash equivalents and short-term investments were \$121 million compared to \$123 million a year ago.

## ABOUT RGP

RGP, the operating subsidiary of Resources Connection, Inc. (NASDAQ: RECN), is a multinational professional services firm that helps business leaders execute internal initiatives. Partnering with business leaders, we drive internal change across all parts of a global enterprise – accounting, finance, risk management and internal audit, corporate advisory, strategic communications and restructuring, information management, human capital, supply chain management, healthcare solutions, and legal and regulatory services.

RGP was founded in 1996 within a Big Four accounting firm. Today, we are a publicly traded company with over 2,900 professionals, annually serving over 1,800 clients around the world from more than 70 practice offices.

Headquartered in Irvine, California, RGP has served 87 of the Fortune 100 companies.

The Company is listed on the NASDAQ Global Select Market, the exchange's highest tier by listing standards. More information about RGP is available at <http://www.rgp.com>.

RGP will hold a conference call for interested analysts and investors at 5:00 p.m., ET today, October 1, 2013. This conference call will be available for listening via a webcast on the Company's website: <http://www.rgp.com>. An audio replay of the conference call will be available through October 8, 2013 at 855-859-2056. The conference ID number for the replay is 55643417. The call will also be archived on the RGP website for 30 days.

Certain statements in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements may be identified by words such as "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "remain," "should" or "will" or the negative of these terms or other comparable terminology. In this press release, such statements include expectations concerning the Company's operating results for the second quarter of fiscal 2014. Such statements and all phases of the Company's operations are subject to known and unknown risks, uncertainties and other factors, including seasonality, overall economic conditions and other factors and uncertainties as are identified in our most recent Annual Report on Form 10-K and our other public filings made with the Securities and Exchange Commission (File No. 0-32113). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company's, and its industry's, actual results, levels of activity, performance or achievements may be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. The Company undertakes no obligation to update the forward-looking statements in this press release.

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**RESOURCES CONNECTION, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts)

	Three Months Ended	
	August 24, 2013	August 25, 2012
	(Unaudited)	
Revenue	\$ 131,704	\$ 136,933
Direct cost of services	81,994	83,544
Gross margin	49,710	53,389
Selling, general and administrative expenses (1)	41,612	42,060
Operating income before amortization and depreciation (1)	8,098	11,329
Amortization of intangible assets	417	426
Depreciation expense	961	1,191
Operating income (1)	6,720	9,712
Interest income	(39)	(48)
Income before provision for income taxes (1)	6,759	9,760
Provision for income taxes (2)	3,106	4,928
<b>Net income (1), (2)</b>	<b>\$ 3,653</b>	<b>\$ 4,832</b>
<b>Basic net income per share (1), (2)</b>	<b>\$ 0.09</b>	<b>\$ 0.12</b>
<b>Diluted net income per share (1), (2)</b>	<b>\$ 0.09</b>	<b>\$ 0.12</b>
Basic shares	39,826	41,720
Diluted shares	39,844	41,774
Cash dividends declared per share	\$ 0.07	\$ 0.06

**EXPLANATORY NOTES**

1. Selling, general and administrative expenses include non-cash compensation expense for employee stock option grants and employee stock purchases of \$1.7 million and \$1.8 million for the three months ended August 24, 2013 and August 25, 2012, respectively.
2. The Company's effective tax rate was approximately 46% and approximately 51% for the three months ended August 24, 2013 and August 25, 2012, respectively. For all periods presented, the Company is unable to benefit from, or has limitations on the benefit of, tax losses in certain foreign jurisdictions. To a lesser extent, the accounting treatment under GAAP for the cost associated with incentive stock options and shares purchased through the Employee Stock Purchase Plan have caused volatility in the Company's effective tax rate. In addition, the effective tax rate during the first quarter of fiscal 2014 benefited from the reversal of \$350,000 of uncertain international tax position accruals for which the statute of limitations has expired.

**RESOURCES CONNECTION, INC.**  
**Reconciliation of Net Income to Adjusted EBITDA**  
**(in thousands, except Adjusted EBITDA Margin)**

	Three Months Ended	
	August 24, 2013	August 25, 2012
	(Unaudited)	
Net income	\$ 3,653	\$ 4,832
Adjustments:		
Amortization of intangible assets	417	426
Depreciation expense	961	1,191
Interest income	(39)	(48)
Provision for income taxes	3,106	4,928
<b>EBITDA</b>	<b>8,098</b>	<b>11,329</b>
Stock-based compensation expense	1,654	1,813
<b>Adjusted EBITDA</b>	<b>\$ 9,752</b>	<b>\$ 13,142</b>
Revenue	<b>\$ 131,704</b>	<b>\$ 136,933</b>
Adjusted EBITDA Margin	7.4%	9.6%

**RESOURCES CONNECTION, INC.**  
**Reconciliation of Net Income to Adjusted EBITDA**  
**(in thousands, except Adjusted EBITDA Margin)**

The Company utilizes certain financial measures and key performance indicators that are not defined by, or calculated in accordance with, GAAP to assess our financial and operating performance. A non-GAAP financial measure is defined as a numerical measure of a company's financial performance that (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the comparable measure calculated and presented in accordance with GAAP in the statement of operations; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the comparable measure so calculated and presented.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. EBITDA is calculated as net income before amortization of intangible assets, depreciation expense, interest income and income taxes. Adjusted EBITDA is calculated as EBITDA plus stock-based compensation expense and contingent consideration adjustments (if any). Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by Revenue. We believe that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin provide useful measures to our investors because they are financial measures used by management to assess the core performance of our Company. Adjusted EBITDA and Adjusted EBITDA Margin are not measurements of financial performance or liquidity under GAAP and should not be considered in isolation or construed as substitutes for net income or other cash flow data prepared in accordance with GAAP for purposes of analyzing our profitability or liquidity. These measures should be considered in addition to, and not as a substitute to, net income, earnings per share, cash flows or other measures of financial performance prepared in accordance with GAAP.

**RESOURCES CONNECTION, INC.**  
**SELECTED BALANCE SHEET, CASH FLOW AND OTHER INFORMATION**  
(in thousands, except consultant headcount)

	<b>August 24, 2013</b>	<b>May 25, 2013</b>
	(Unaudited)	
Cash, cash equivalents and short-term investments	\$121,387	\$119,012
Accounts receivable, less allowances	\$ 81,354	\$ 84,194
Total assets	\$417,647	\$417,640
Current liabilities	\$ 57,233	\$ 61,333
Total stockholders' equity	\$356,448	\$352,327
Consultant headcount, end of period	2,237	2,208
Shares outstanding, end of period	39,843	39,705
	<b>Quarter Ended</b>	
	<b>August 24, 2013</b>	<b>August 25, 2012</b>
	(Unaudited)	
Cash flow from operating activities	\$ 5,327	\$ 3,706
Cash flow from investing activities	(\$ 1,412)	\$ 12,404
Cash flow from financing activities	(\$1,572)	(\$ 8,738)

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